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Daily Report

Latin America

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International Affairs: Rio-EU Summit 'Stagnated' on Cuba

PY1304020896 Madrid EFE in Spanish 0011 GMT 13 Apr 96

[FBIS Translated Excerpt] Cochabamba, Bolivia, 12 Apr (EFE) — The meeting between the Rio Group and the EU, which is being held in the Bolivian city of Cochabamba, became stagnated today when Latin American nations proposed a joint condemnation of the Helms-Burton law, or a strengthening of the U.S. embargo against Cuba.

Diplomatic sources that participated in that meeting told EFE that most EU countries conditioned that declaration to the drafting of another in which human rights violation in Cuba be condemned.

Rio Group and EU delegates today began a meeting in Cochabamba to prepare a joint declaration that their foreign ministers will issue at the conclusion of the 6th Institutionalized Meeting, which will be held in this city on 15 and 16 April.

Sources consulted by EFE described as "very forceful" the paragraph which condemns the Helms-Burton law that the Rio Group members unanimously agreed to include in the final declaration of Cochabamba.

The same sources said that several European representatives rotundly refused to accept that paragraph, while others conditioned it to the drafting of another paragraph that condemns violations of human rights in Cuba.

Representatives of the Rio Group countries consulted by EFE expressed surprise regarding the position adopted by the Europeans in Cochabamba because the EU on other occasions strongly condemned the Helms-Burton Law.

It was Leon Brittan, vice president of the European Commission, the EU's executive organization, who during his stay on 11 April in Washington condemned the Helms-Burton Law and asked U.S. authorities not to implement it.

The diplomatic sources said that the declaration of Cochabamba will probably contain a Rio Group and EU condemnation of that U.S. law, but its final draft will have to be prepared by the foreign ministers.

Cuba is the only Latin American country that does not belong to the Rio Group, and at each meeting of ministers or presidential summit of that permanent political consultation mechanism it is one of the main and very thorny topics of discussion. [passage omitted]

International Affairs: Peru's Tudela at Rio-EU Summit

PY1504183896 Madrid EFE in Spanish 2009 GMT 14 Apr 96

[Report by Alejandro Varela]

[FBIS Translated Text] Cochabamba (Bolivia), 14 Apr (EFE) — Peruvian Foreign Minister Francisco Tudela said today the EU "is much more realistic" and offers more cooperation to Latin America than the United States regarding drug enforcement.

Tudela believes the EU, which groups drug consuming countries, "has not achieved a consensus" on the position to adopt regarding the drug trafficking problem. Nonetheless, Tudela praised the EU's willingness on the issue.

The Peruvian foreign minister is in Cochabamba to attend the 6th Rio Group-EU Foreign Minister's Conference on 14 and 15 April.

During the meetings of delegates held over the past few days in Cochabamba prior to the scheduled foreign ministers meetings, drug trafficking became one of the most debated issues when adopting a consensus for the drafting of the "Cochabamba Declaration."

Tudela said: "The EU is more realistic. The aid it renders Latin American countries to combat drug trafficking is better focused" than that from the United States.

Tudela believes the EU and the Rio Group agree on the principle of shared responsibility among producer and consumer countries, and on the need to safeguard the sovereignty of each country.

Nevertheless, he acknowledged that this is "probably because of a lack of consensus among themselves." He added that the EU does not support a Rio Group initiative to summon a world conference on drugs. Instead, it agreed to the calling of extraordinary sessions of the UN General Assembly on drug trafficking, "but without the ability to adopt binding decisions."

Tudela, whose country is the leading exporter of coca — the main element to manufacture cocaine — said the "certification" and "decertification" granted by the United States to drug producing countries is a "sovereign domestic action not binding under international law."

He acknowledged, nevertheless, that the U.S. "decertifications" do have international impact. He added: "Our ties are so disproportionate, there is little those countries can do about it."

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The United States recently "certified" the drug enforcement programs of Peru, Mexico, Bolivia, and Paraguay, but "decertified" that of Colombia which brought on the consequent economic and commercial reprisals encompassing the threat to block aid from international financial institutions.

Regarding the European position on the "Helms-Burton law" which bolsters the U.S. embargo on Cuba and the naming of Cuba in the joint declaration to be issued by the Rio Group and the EU in Cochabamba, Tudela said it is important that "this practice will be condemned although no law or country will be specifically mentioned."

Tudela also explained that the Andean Pact, which was recently renamed the Andean Community and which encompasses Bolivia, Colombia, Ecuador, Peru and Venezuela, does not plan to hold any working sessions with the EU during the Cochabamba meeting.

Nevertheless, Tudela said that in view of its reorganization and after overcoming great differences among its members over economic problems, the Andean Community can now achieve a commercial agreement with the EU.

This agreement will reportedly be similar to the one signed by the EU with Mercosur [Common Market of the South] (Argentina, Brazil, Uruguay and Paraguay) countries last year.

Among the agreements to be achieved in Cochabamba, Tudela stressed the one that the Rio Group and the EU will sign on legal cooperation.

He said this agreement will help restore the confidence of European private investors on the legal regulations of Rio Group countries.

The Rio Group comprises Argentina, Bolivia, Brazil, Colombia, Chile, Ecuador, Mexico, Panama, Paraguay, Peru, Uruguay, and Venezuela, in addition to alternate representations of Central American and Caribbean countries which in the Cochabamba meeting will be represented by Costa Rica and Trinidad and Tobago, respectively.

The EU comprises, Germany, Austria, Belgium, Denmark, Spain, Luxembourg, Great Britain, Ireland, Portugal, Finland, Sweden, France, Italy, Greece, and The Netherlands.

International Affairs: Rio Group, EU Disagree on Declaration

PY1504152996 Madrid EFE in Spanish
0047 GMT 15 Apr 96

[FBIS Translated Text] Cochabamba (Bolivia), 14 Apr (EFE) — The Rio Group and the EU today failed to agree on the inclusion of a paragraph on Ecuadoran-Peruvian relations within the declaration the foreign ministers of the two blocs are scheduled to sign here.

The only pending subject in a draft of the declaration — to which EFE had access today — is whether it should include reference to the peace process between Peru and Ecuador, which waged an undeclared war from 26 January to 28 February 1985.

The Rio Group proposed to the EU that the declaration include a paragraph conveying satisfaction over the progress made by Peru and Ecuador in their relations.

Herewith the text of the paragraph proposed by the Rio Group states: "Regarding the Itamaraty [Brazilian Foreign Ministry headquarters] Peace Declaration and the Montevideo Declaration, the ministers expressed satisfaction over the progress made in Peruvian-Ecuadoran relations, as well as over the contribution by the guarantor countries of the 1942 Rio de Janeiro Protocol to promoting peace between the two countries."

Rio Group sources told EFE that the EU believes the Peruvian-Ecuadoran conflict does not belong in an agenda of topics the Rio Group and the EU should discuss in their joint meetings. Thus, the EU questioned the inclusion of the above paragraph in the Cochabamba Declaration.

Rio Group and EU delegates met from 10 to 14 April to draft the document the foreign ministers will sign at the end of their sixth institutional meeting, which will be held on 15-16 April in Cochabamba.

Peru and Ecuador waged an undeclared war over a piece of their border area, which has remained undemarcated since the signing of the Rio de Janeiro Protocol in 1942, which defined the joint border.

Following the 1995 war, which was the worst armed confrontation between the two countries over the land dispute in the past 50 years, Peru and Ecuador signed the Itamaraty (the seat of the Brazilian Foreign Ministry) Peace Agreement and started talks with the mediation of the Rio de Janeiro Protocol guarantor countries (Argentina, Brazil, Chile, and the United States).

Peruvian Foreign Minister Francisco Tudela and his Ecuadoran counterpart Galo Leoro today met in

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Cochabamba, but nothing has been disclosed about the topics of their meeting.

International Affairs: Bolivia's FM Opens Rio-EU Summit

PY1504165896 La Paz TVB Television Network in Spanish 1390 GMT 15 Apr 96

[Speech by Antonio Aranibar Quiroga, Bolivian foreign minister and pro-tempore secretary of the Rio Group, opening the 6th Institutionalized Meeting of Rio Group-EU Foreign Ministers in Cochabamba, Bolivia — live]

[FBIS Translated Text] Your Excellency the President of the Republic of Bolivia Don Gonzalo Sanchez de Lozada; Your Excellency the President of the EU Council, Mrs. Susana Agnelli; Your Excellencies the Foreign Ministers of the member countries of the Rio Group and of the EU; Vice President of the EU Commission, Don Manuel Marin; Representative of the European Parliament, Don Gerardo Galeoto; Representative of the Latin American Parliament, Don Gustavo Larrea; Messrs. ministers, honorable congressmen, Messrs. national coordinators of the Rio Group, Messrs. experts of the EU, the prefect of the department of Cochabamba, the honorable mayor of Cochabamba; national and departmental authorities; special guests; ladies and gentlemen.

The warmth and hospitality of the city of Cochabamba, in the heart of Bolivia, which in turn is in the heart of South America, contribute with the appropriate atmosphere for this historic and gratifying meeting of two regions, which have been united for the past five centuries, are now jointly projecting toward the future.

Distinguished ministers and high representatives of the EU and the Rio group, you are all welcome to this promising land that has the honor of receiving you. There is the hope in the air that, as on previous occasions, these discussions between the peoples of the two sides of the Atlantic will permit the opening of new and better common paths.

This 6th Institutionalized Meeting of the EU and Rio Group foreign ministers proves that Europe, Latin America, and the Caribbean find themselves united, not just due to their profound democratic vocation, but also due to a clear desire to reaffirm their shared values through the strengthening of communications and by multiplying understandings.

The dialogue between our regions has forged an invaluable patrimony during the course of the past five years and has allowed us to face, and decisively resolve, the problems that emerged from the latest international changes. It has also provided a firm basis for our purposes and actions for a more integrated and mutually binding world.

This allows us to hope that the so-far fruitful European-Latin American dialogue will continue to contribute to the promotion of our shared values of peace, justice, and international cooperation.

We know the new problems of governability are born from social exclusion and poverty. They have become the destabilizing force of democracy. Therefore, we must undertake the task of making this globalization compatible with the generation of opportunities and with an improved standard of living in our societies.

To allow the phantom of marginality to impose itself will be reflected in the destabilization of the democracies, because it is known that exclusion is the source of violence, while integration is the guarantee for peace. The resolving of the problems inherited through history and which are still pending between states should be discussed and resolved with imagination and willingness under the principle that international solidarity is also a guarantee for peace.

Thus, we face the challenge of promoting the strengthening of democracy and an ethical revaluing of political actions in our regions and in each of our nations.

The struggle of our societies is at this time another historical tradition that we Latin Americans and Europeans must reevaluate constantly and jointly in order to ensure the people obtain full citizenship. The principles of democracy and those of an economic development that will ensure integration and social cohesion converge on this historic tradition.

We must also not forget that generous communications has as its framework the vitality of multiple cultural entities that are the product and a part of the modernization processes.

This diversity demands ever-increasing international citizenship. Maybe it is time to return to the classical utopia of creating a universal citizenship that will recreate the plurality of global society.

The persistence and deterioration of social marginality once again make us think about political and environmental sustenance of current economic models that regrettably up to the present time do not resolve these contradictions.

All of this is occurring despite outstanding efforts that our governments make to consolidate and strengthen the reforms that are currently being implemented.

We believe that starting with the multilateral consensuses that have already been achieved on economic freedom and the opening of markets, the political dialogue

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between our regions is obliged to perfect the current ground rule that maintains international economic relations.

This must be achieved through creative mechanisms to promote renewed links between investment, trade, technology, and cooperation in such a way that their conjunction will enable the implementation of an authentic sustainable development.

We must strengthen ties of integration between Europe, Latin America, and the Caribbean. To enable us to do so, we may have to admit that we have common problems and similar challenges. This is why it is necessary that both here and over there we must seek and implement policies that will ensure equality and human development.

At the time of strengthening its nature as a mechanism for political agreement, our bi-regional dialogue must consolidate its guiding function of the various Latin American and Caribbean sub- regional integration processes with the EU.

In facing these and other topics, Europeans, Latin Americans, and Caribbean citizens must bring up to date and permanently strengthen our agenda and thus we will ever-increasingly become closer to the needs and protagonists of our societies.

This exchange will have as it objective the discussion and solution of possible problems and the consideration of common positions in the face of the main challenges of our times.

In sum, it is very necessary to carry out a fruitful and frequent dialogue that will open up possibilities of a new pact of solidarity between Europe and Latin America that is capable of preparing the basis for sustained development.

The great challenge that we face resides in translating shared values into mutual interests. This will be only way we will be able to formulate ambitious objectives that in addition to expressing our common human principles, will also represent concrete goals that will contribute to the welfare of our peoples.

In the measure that this illustrious meeting approaches this goal, we will be able to maintain our faith and enthusiasm in the vitality and projection of the Latin America-European relationship toward the 21st century.

A renewed strengthening of institutionalized interregional dialogue will come from the implementation of basic actions that will make the desired objectives a reality.

We must definitively seek the most efficient way to implement the proposals and the decisions that are achieved.

The challenges that have been outlined here, and others that will emerge from the dynamics themselves of this forum, demand creative and feasible answers.

Distinguished ministers, EU and Rio Group top representatives: We are all here,to accept these challenges with a renewed and audacious vision for the benefit of our peoples and of our regions.

Thank you very much. [applause]

International Affairs: Bolivian President Opens Rio-EU Summit

PY1604025396 La Paz TVB Television Network in Spanish 1300 GMT 15 Apr 96

[Speech by Bolivian President Gonzalo Sanchez de Lozada at the opening ceremony of the Sixth Institutionalized Meeting of Rio Group-EU Foreign Ministers in Cochabamba, Bolivia — live]

[FBIS Translated Text] Messrs. foreign ministers and chiefs of delegations of the Rio Group and EU: Let me welcome you in the name of the people of Bolivia and Cochabamba. Everyone in Bolivia and in our continent attaches great importance to this meeting. People sometimes despair because, since they are practical, they want to see concrete results from these meetings, which require unanimous consensus in decisions, something hard to attain, to make progress.

However, let me say that we welcome our Latin American brothers and sisters — since Bolivia does not have friends or enemies: It has brothers and sisters. This is why it hurts us that some problems have still not been solved among Latin American brothers and sisters. The resolving of these problems requires only generosity and imagination.

To those from the EU who are visiting us, Europe nowadays represents a beacon of hope because it is proof of how countries that have confronted each other for thousands of years can unite to seek the common well-being of their peoples. We know and have seen that the fight for integration never ends. We are sure that the example of the EU, which maintains its cultural and ethnic diversity at the same time it seeks integration, is an example for us. It gives us the certainty that we will be successful in our regional dynamics and in the various pacts and movements that will eventually arrive to our hemisphere, which will become economically and spiritually united.

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For Latin America this is a moment of great hope. We are united in our democracy, human rights are respected, and we earnestly seek to improve our political culture so as to make peace possible in all societies of our continent.

However, here in Cochabamba — which by coincidence is a very well chosen spot, in this marvelous valley lying among the peaks of the Andes, the large jungles, rivers, and prairies of our continent, in this city that constitutes a point of encounter between the indigenous and European cultures, in this fertile and rich valley — there is something that deeply concerns us. Right here we are near one of the most important drug production centers. This scourge considerably worries the Bolivian people. Our contribution to combating this scourge, in relation to our GDP, is greater than that of any other country in the world. We know the terrible danger our society runs with drug trafficking and drug production. We know that violence can come anytime. Thank God so far we have not had narco-guerrillas or the institutionalized terrorism of drugs. However, we know that we are a step away from it and that it is an imminent danger.

This is why we give total priority to this problem, and we would not ask for help from other countries if it not were for the fact that this is such a great problem. The difficulty is so great, and the responsibility and effects pertain to everyone, to the extent that beyond mere phrases, we must understand that drug trafficking is a problem that affects everyone. In the past, we had countries that produced and others that consumed. Now we are all involved, either in production, trafficking, or consumption, and above all, we are all affected by the dangers this represents.

One of the great sorrows and tragedies of Latin America regarding Europe is that our greatest exports are drugs and people. Instead of sending our people, our poverty, or drugs, we must find an effective manner by which to increase trade. We need investments to solve this problem through alternative development that will really allow us to send to the rest of the countries of the world our creativity and our value-added work rather than the destruction of drugs and the emigration of poverty.

We are also committed, especially in Bolivia, to sustained development. We know that in the world in which we are living, poverty is very expensive. We cannot afford the luxury of having so much poverty. As a peasant once said, God pardons always, man sometimes, nature never.

We are now seeking in our continent, as in the rest of the world, a manner by which to relate and coordinate human and economic development with the environment. Development cannot be separated from the concept of sustained development. We can observe in Europe the great effort to repair and compensate for the damaged environment. In our continent the problem is not to continue destroying. It is to develop without paying the environmental cost, which, in the long term, is a cost that must be paid by everyone.

The struggle against poverty is very related to sustained development. I see no other way to face this problem than to return to the people the economic and political power to allow them to solve their own problems on their own, as we are doing in Bolivia through popular participation.

However, this must be done within a framework of options. We have generous possibilities of having access to the EU market without paying any kind of tariff. However, we see that this trade increases very little because we need investments, and orientation on how to reach that market and how to take advantage of it. This step is just as important as the interdiction of drugs and the development of alternative crops and industrial activities.

I think that in meetings like this one we must point out that drug trafficking is a problem that must be shared. It not only demands economic contribution and effort, but also a great creative effort to solve the problems of consumption and production and the collateral effects. I think that in Bolivia, unfortunately, we have a lot of knowledge, we are experts, on drugs and poverty. We are also experts in trying to find solutions to our own problems with courage and imagination.

Despite our difficult dynamics, we intend to find solutions in peace and democracy. Our people are committed to this effort and have the hope that they are not forgotten in the Andes and in the tropical jungles of our continent. They hope that they are part of a larger current that will lead to better days thanks to the effort of our people in developing their creativity and potential.

We know that our struggle is reflected in that of all the countries gathered here to create a world where a lasting peace will prevail without interruptions as so often happened in this century. We hope that next century will be a century of peace and growth. But we know that in this kind of meeting, during the talks in halls, during the visits to closely observe problems that are often similar in other countries — like unemployment, like the participation of the people to make this a participative and not only representative democracy — we can learn from the rich and the poor.

This is why I sincerely want to ask God to guide you in your discussions and your negotiations, and that you

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have courage to give our country and our continent, as well as Europe, the conditions to make decisions and to make progress, not only through phrases that do not offend anyone, but by permanently pressuring in such a way as to really find creative solutions to problems that we can solve. Thank you, and good luck. [applause]

International Affairs: L.A. Official at Rio-EU Summit

PY1504181096 La Paz TVB Television Network in Spanish 1300 GMT 15 Apr 96

[Speech by Gustavo Larrea, alternate president of the Latin American Parliament, at the opening ceremony of the 6th Institutionalized Meeting of Rio Group-EU Foreign Minister in Cochabamba, Bolivia — live]

[FBIS Translated Text] Mr. President of Bolivia Gonzalo Sanchez de Lozada; Mr. Antonio Aranibar Quiroga, Bolivian foreign minister and Rio Group pro-tempore secretary; Ms. Susana Agnelli, Italian foreign minister and chairman of the EU Council; Mr. Gerardo Galeote, EU Parliament chairman-delegate for South American affairs; Mr. Manuel Marin, vice chairman of the European Commission; Messrs. foreign ministers.

On behalf of the Latin American Parliament, I would like to cordially greet all those present, and to thank the Bolivian Government and the organizers of this event for their kindness in inviting the Latin American Parliament to attend this meeting.

A new order is emerging and we must encourage and improve the ties between countries and regional blocs all over the world.

Latin America is currently setting up institutional mechanisms that will allow it to play a collective role in the world scenario. This process of Latin American institutional development has several key players, among which the Rio Group features prominently as a regional forum of growing significance.

The Latin American Parliament is also a meaningful forum for strengthening Latin American political integration with a view to building the Latin American community.

As far as political and economic integration processes go, the EU has set an organizational and institutional example for the world. Thus, this meeting is particularly significant for Latin America and the world.

On the eve of a new millennium, Latin America is plagued by serious problems: the foreign debt; unfair terms of trade; poverty; drug trafficking; and corruption are just some. They jeopardize Latin America's ability to operate on the world market.

As all these problems have repercussions beyond the region, resolving them requires sustained efforts. The growth of international trade calls for renewed political will in favor of regional integration so as to negotiate on a stronger footing better terms with the new commercial partners. We must open new markets by diversifying our production, thus generating more wealth in our countries.

Despite the marked increase in trade with the industrial countries and with the EU, Latin America's participation in world trade has declined percentage-wise since the 1980's. This situation is getting worse because prevailing international conditions gradually undermine the terms of trade of our products compared with products from industrial countries.

The progressive decline in prices of raw materials — which are still the mainstay of our exports — has neutralized whatever positive effects the growth of international trade may have had in our countries. Despite severe sacrifices our economies have made to increase exports, results have not matched expectations. Although exports have grown in terms of volume, the income they generated did not rise by the same proportion.

Meetings like this could substantially help redefine the terms of trade which may lead to a better distribution of wealth generated by the expansion of world trade. They are a key to the development of our peoples, and the fate of Latin America at the time when regional economies are not showing optimistic signs. Thus, it is even more important to bolster the mechanisms, the political will, and the high-level contacts that could lead to better conditions for the development of our people.

The region's overwhelming $400-billion foreign debt is an awesome challenge. Mechanisms must be found to resolve this hindrance to regional development by making industrial countries and international financial organizations aware of our plight, and by renegotiating the foreign debt under better terms and with significant rebates because given the standards of living of Latin American peoples the effects of foreign debt servicing have been extremely destructive. The region has grown even poorer and an atmosphere of hopelessness and gloom prevails among our peoples.

Over the past few years international organizations and the international community as a whole have realized that structural adjustments based on purely economic considerations produced serious social effects on our nations. We must make enormous efforts to resolve problems like unemployment, poverty, inequality, lack of sanitation, and malnutrition. Latin America is on

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the brink of a social outburst of unfathomable consequences, which will come to pass if we fail to heed the demands of an impoverished and hopeless population. For this we need the active cooperation of the industrial world through the opening of markets, sustained capital flow, and international technical cooperation to help further development.

The pursuit of development, however, can no longer follow the current guidelines. We must take into account environmental problems, and avoid the plundering of natural resources in our continent. We must preserve our biodiversity and implement long-term policies that will allow us to take advantage of our living resources, particularly in the Amazon Region. This will require international agreements which must acknowledge the right of our communities to make use of their immense common cultural heritage and knowledge about the medical uses of our many species, and prevent the plundering of these resources that will be the source of our people's development in the next century when biotechnology will play an key role.

Throughout the 1980's and the first half of the 1990's, drug trafficking has been one of the main issues within Latin America, especially in the case of the Andean countries. Large peasant groups in these countries live off the production of coca, which are refined into cocaine hydrochloride that is consumed largely in the United States and in Europe creating long-term social and health problems. The approach to resolving these problems has been mainly repressive, focused on production without doing very much to curb demand in consumer countries. Any viable strategy should take both supply and demand into account. The approach should be overall and should provide Andean peasants involved in the production of coca with viable options through socially-oriented, rather than repressive, programs.

All these problems have jeopardized democracy in societies with scarce and badly distributed resources. Thus, it is extremely important to tackle the quest for harmonious development, the redistribution of wealth and the elimination poverty, while at the same time taking into account political and institutional aspects, particularly since the prevailing serious social crisis threatens to undermine the very foundations of the political system.

Within this complex scenario, human rights are also at stake, because beyond all rhetorics one can hardly expect full respect for human rights unless everyone is guaranteed equally humane conditions for their development; eliminating poverty and expanding democratic participation in decisionmaking and implementation. Our societies have electoral democracies which should be strengthened to provide the people with better standards of living.

Peace is yet another key issue in this region. Thus, on behalf of the Latin American Parliament I want to congratulate the Peruvian and Ecuadoran Governments, and the guarantor countries, namely, the United States, Argentina, Brazil, and Chile, for the significant progress they have made to shore up peace between the two former countries, and in the region in general.

Sustained political will is necessary to cope with these challenges. Regional institutional systems must be strengthened, and dialogue must prevail with other regional blocs throughout the world because in a globalized world our social and economic problems cannot be resolved without the active participation of other players in the quest for the elimination of unfair trade terms and distortions within the international order.

The problems of southern nations, namely, in Latin America, Asia, and Africa, are directly linked to the conditions prevailing on the international market and to the international order. These two scenarios must be redefined and reorganized if we truly want to attain sustainable development and decent standards of living for everyone.

Messrs. foreign ministers: This meeting is very important for our peoples because the ensuing international dialogue could lead to better channels for understanding and cooperation within an atmosphere that is currently marked by indigence and hopelessness. To continue these efforts means to work for the future so that our children may inherit a fairer, more equitable, and solidaristic world in our quest for a planet on which humans will live in harmony among themselves and with nature. Thank you very much. [applause]

International Affairs: Italy's FM at Rio-EU Summit

PY1504212196 La Paz TVB Television Network in Spanish 1300 GMT 15 Apr 96

[Speech by Susana Agnelli, Italian foreign minister and chairman of the EU Council, at the opening ceremony of the Sixth Institutionalized Meeting of Rio Group-EU Foreign Ministers in Cochabamba, Bolivia — live; translated from the Italian]

[FBIS Translated Text] Thank you, Mr. President, my dear counterparts.

I am very pleased to be here in Cochabamba because I believe that this EU-Rio Group meeting will be not only an important event per se, but will also mark the beginning of a new phase in the relationship between

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these two organizations and, therefore, between Latin America and Europe.

The agenda of today's meeting clearly shows that the EU and the Rio Group have embarked on the visionary task of making our relationship take a qualitative quantum leap.

Thus, we believe that that we must launch a new dialogue within which even the more sensitive or controversial aspects must be tackled honestly and openly. Sustainable development, regional integration and stability — meaning a balance between the system components in each country, and a means of rising to the challenges of the remaining few years of this milennium — are intertwined; they are practically two sides of the same coin. It is impossible to neglect any one of them. They should be tackled jointly because this would give us the advantage of a global approach. It will, however, require a broad overview to take all the components of this complex equation into account.

The answers we will be able to give you will set the course not only of our future relations, but of international relations as a whole, given the fact that the EU plays a key role in the world political and economic scenario, and that Latin America's potential is practically boundless because of its enormous human and natural resources.

The key problem seems to be how to reconcile economic well being, social cohesion, and political freedom. There are people who feel that attaining the first two objectives will necessarily imply foresaking the last one. Thus, it will be up to the leaders to rise to the difficult challenge of finding balanced solutions. Today's meeting is aimed at fostering awareness of the fact that social fairness is unlikely to be attained without economic development.

At the same time, economic development excessively hindered by democratic rules of the game is bound to be short-lived and counterproductive. This problem must be solved through the proper functioning of the institutions which must effectively manage the relations between the citizens and the state so as to find the right balance between the formers' inalienable rights and the needs of the latter.

All the states should also strive to overcome the tendency to overemphasize their national way of life to the detriment of supranational organizations which guide them and make them more efficient. This was Europe's message at the recent Inter-Government Conference in Turin, because it believes that the anxieties of contemporary society, and the presence of long-standing and new phenomena such as unemployment, social imbalances, organized crime, terrorism, and the drug trade, to mention just a few, call for practically unlimited efforts in terms of both time and space.

Similar ideas also cropped up at the recent G-7 meeting in Lille which acknowledged the need to reconcile the market and employment, economic rules and social issues, in order to rise to the challenges of today's world. The relationship between the EU and Latin America must also develop within this framework, and the two must be able to strike a balance between their respective interests.

Amid its many priorities, Europe must assign to Latin America a fair and mutually satisfactory place, while Latin America must reciprocate by adopting an attitude showing its will to engage in a privileged dialogue backed up by a well-defined regional strategy.

It is known that the talks about the strengthening of relations between the EU and Latin America in 1996 through the year 2000 have focused on subcontinental, regional and bilateral dialogue, freedom of trade, regional integration, and enhanced cooperation.

These issues are linked by the widespread belief in a world of strongly integrated regional organizations capable of providing for the peculiarities of each member of the system.

The idea behind this is to prevent the much-ballyhooed globalization of international relations from inadvertently introducing confusing and controversial elements that could harm the weaker members of the international community.

Our meetings, today and tomorrow, with the Andean Community, the Mercosur [Common Market of the South], Mexico, and Chile will take place within the framework of regionalism with a view to the future, a dynamic relationship marked by healthy competition that will be equally stimulating for the EU, which does not want to base its future relations with Latin America merely on historical ties, regardless of how genuine they may be.

Stability has acquired a new meaning in the sense that both parties have become aware that the swiftness and unpredictability of the changes that our societies undergo create new problems, challenges, and emergencies that are no less serious than those that cropped up during the previous phase of ideological confrontation between the two blocs.

Through its presence in Cochabamba — which has hospitably welcomed us in the best of Bolivian traditions — the EU reaffirms its commitment not to shirk its responsibilities stemming from the special ties that bind

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it to the Latin American continent. Italy, which is currently chairing the EU, intends to continue throughout the first half of this year a global dialogue on Latin America and the Caribbean, advocating respect for the peculiarities within this vast geographic area, building on what has been accomplished by those who have preceded it, for those who will follow it, in this sensitive task.

Recent developments in the relations between the EU and South America at the meetings with the Rio Group, the Central American signatories of the San Jose Treaty, the Mercosur, and the Andean Community, the positive agreements reached with Mexico and Chile, and the good prospects of the recently established Organization of Caribbean States all help to strengthen a system that encompasses almost 500 million people who are now displaying maturity through the peaceful solution of their disputes.

As I did in Florence at the EU-Central American Conference, I would like to emphasize Italy's desire to participate in this process above and beyond the limited role of its current EU presidency. Thank you. [applause]

International Affairs: EU Parliament Official at Rio-EU Summit

PY1504224496 La Paz TVB Television Network in Spanish 1300 GMT 15 Apr 96

[Speech by Gerardo Galeote, chairman of the European Parliament Commission on Relations Between the EU and Latin America, at the opening ceremony of the Sixth Institutionalized Meeting of Rio Group-EU Foreign Ministers in Cochabamba, Bolivia — live]

[FBIS Translated Text] Mr. President of the Republic, Messrs. ministers and representatives of Latin American, the Caribbean, and the EU:

We note with satisfaction that, since our last meeting in Paris last year, our regions have continued to make steady progress on the path of integration. In Ibero-America, Mercosur [Common Market of the South] is being consolidated as a pole of integration in the Southern Cone, which undoubtedly has an obvious influence on the rest of the hemisphere. It is thus possible to imagine that Mercosur will be enlarged as of June of this year, pursuant to what is provided for in the [Asuncion] Treaty establishing Mercosur. The Trujillo Summit marks an inflection point in the evolution of what is now called the Andean Community, and the direct election of the Andean Parliament deputies within four years clearly shows the Andean will to deepen its integration process. Lastly, I would like to mention the commitment taken on by the Central American presidents to maintain the ambition of reforming their common institutional structures, besides having undertaken new and ambitious objectives. The recent (Tuzla) II Summit opens the door to free trade and cooperation between Mexico and the Central American countries. The economic complementation agreement signed by Bolivia and Mercosur and the future association agreement which Chile is to sign with Mercosur lead us to envisage that all integration endeavors in the region will converge in the not too distant future. This will undoubtedly enhance Latin America's presence and potential in the world.

Following the launching of the Inter-Governmental Conference in Turin on 29 March, the EU has, for its part, embarked upon the path of internal negotiations, a path which will unquestionably be long and complex, but which is aimed at the deepening of the EU. This new path will enable us to strengthen our presence at international fora and establish the basis for the enlargement of the EU, while at the same time it adapts its internal structure to meet such complex challenges.

The EU's resolute will to build on its exceptionally good relations with Ibero-America — which has been particularly manifest over the last decade — has been confirmed by distinct events like the Inter-Regional Agreement between the EU and Mercosur; the current negotiations the EU is conducting to deepen relations with Mexico and Chile, which we hope will be brought to a successful conclusion in the forthcoming months; new guidelines on relations between the EU and Latin America until the year 2000; or the new regulations for the Generalized System of Preferences for agricultural products, which will be implemented as of 1 July 1996.

Under the perspective that half a decade of institutionalized dialogue between our regions gives us, we must, however, ponder on the challenges facing us. Latin America has achieved remarkable success in its economic recovery. Lasting economic growth, albeit still modest; the curbing of inflation to levels which were unthinkable some years ago; and the ability to withstand serious crises indicate that Latin America is on the right path and in a position to face the future by courageously addressing needs which can no longer be postponed and which all Latin American societies need. For years, poverty and inequality have been two constant realities in Latin America. It is public knowledge that the least favored sectors of society have had to bear the brunt of the lingering effects of the 1980's and the high price of the ensuing structural adjustment policies. Poverty is a hotbed for social conflicts and political instability. This is why the fight against poverty is a fight that seeks to promote peace and consolidate democracy. Unfortunately, little progress has been achieved despite the efforts Latin American countries have deployed. Empiric evidence has proved that al-

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though buoyant economic growth is a sine qua non for reducing poverty, it is by itself insufficient to put an end to poverty and social inequality. Government policies, especially those geared to promoting intelligent investment programs which have no bearing on the public deficit and to achieving a fair tax system, are essential to guarantee distribution of wealth.

We, at the European Parliament, deem that besides encouraging the enhancement of our trade relations for the mutual benefit of our peoples — as has been proven by the support and momentum our Parliament has given to the agreements which have already been signed or are about to be signed between our regions — we must not neglect the support for cooperation in the most traditional sense of the word. This is why we congratulate ourselves upon the fact that the EU has consolidated its position as number one aid donor vis-a- vis Ibero-America. The EU aid to this region is higher than that of the United States and Japan put together. This notwithstanding, the significance of this effort does not preclude us from requesting greater coordination between member states and the European Commission in the allocation of aid, as well as new action methods, new sectorial strategies, and better assessment of projects that have already been undertaken.

The guidelines on EU policy on Latin America until the year 2000 provide for the consolidation of state institutions as an essential priority to consolidate democratic processes. To that effect, the role of the state and the strengthening of civil society are complementary elements, since the success of economic reform undoubtedly depends on the institutional, political, and regulatory environment surrounding economic and social activity. The European Parliament is of the opinion that the strengthening of civil society, the administration of justice, democratic institutions, and the rule of law, will guarantee the participation of citizens in the administration of their future. We must be able to offer a better and more transparent participation environment for our fellow citizens and promote their incorporation into state activities.

The protection of human rights in the broadest sense of the word must continue to be one of the most jealously pursued objectives. Nowadays, corruption has become a key element of political debate both in Latin America and Europe. If we fail to find a solution to this problem, we must realize that we will jeopardize the consolidation of our democratic systems. We, at the European Parliament, are aware of the efforts Ibero-American countries are making within the framework of the struggle against drug trafficking, something which we wholly encourage. This effort, however, must be complemented with better and greater coordination with consumer countries.

At this phase of economic adjustment, we find ourselves in a dilemma: While we have to cut spending, we cannot slacken our efforts on the social front. Moreover, we have to reform the state in such a way that it will continue playing the role incident upon every state in the redistribution of income and social services. The composition of inflows of capital constitutes a decisive factor. The measures adopted by some countries aimed at controlling the entry of hot money while encouraging long-term investments seem to be on the right track.

Allow me to share with you, from the perspective of the European Parliament, some reflections concerning the integration process which Latin America is furthering. If the unification of Europe could offer some useful experiences to Latin America, at least one experience, I would mention the need to clearly explain the integration process and involve the entire society from the start in this endeavor by informing it about the unquestionable economic and political advantages as well as its costs and difficulties. The integration process owes a lot to the political will of the rulers of the countries involved in the integration process, since it is the rulers who have endowed the integration with legal strength. Allow me to express the hope of witnessing in the future greater involvement by national and regional parliaments in the current integration endeavors. Congresses cannot and ought not to be marginalized from this process, as this will represent a cost that sooner or later will have to be defrayed. The European Parliament is willing to play a more direct role in the association agreements to be signed with the EU by creating institutional structures that will serve as a tool for reflection and political impetus.

I would like to touch upon two concrete situations of our political reality. First, I would like to make a vehement call for peace in Guatemala, as has been announced. We congratulate ourselves upon the valor displayed by President [Alvaro] Arzu and the cease-fire announced by the Guatemala Revolutionary Union on 20 March. We fully support the European Commission's commitments to further peace through considerable financial contributions with the same conviction with which the European Parliament contributed to the end of the armed struggle in other Central American countries.

Lastly, I do not want to fail to mention, in such an important forum, the only Ibero-American country which does not enjoy a system of parliamentary democracy and political pluralism and which, as a consequence of this, has not signed an economic cooperation agreement with the EU. Cuba's situation following the recent crisis

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and the transfer of U.S. policy regarding this Caribbean island to the U.S. Congress make it more difficult to make a distinction that not long ago could have seemed more probable. The European Parliament has openly condemned the so-called Helms-Burton Law. We hope that the Cuban Government will finally opt for the path of economic liberalization and transition to democracy. I think that joint action by the EU and Rio Group is, more than ever, necessary to encourage a peaceful political transition on the island and the respect for universal human rights and the fundamental freedoms of the individual.

I thank the Colombian.... [corrects himself] the Bolivian, the Bolivian [repeats himself] Government for the excellent arrangements and the people of Cochabamba for their warm hospitality in this magnificent land in the heart of Ibero-America, and I wish you all the greatest success in your work. Thank you. [applause]

International Affairs: EU Commission VP at Rio-EU Summit

PY1604002196 La Paz TVB Television Network in Spanish 1300 GMT 15 Apr 96

[Speech by Manuel Marin, vice president of the European Commission, at the opening ceremony of the Sixth Institutionalized Meeting of Rio Group-EU Foreign Ministers in Cochabamba, Bolivia — live]

[FBIS Translated Text] Mr. President of the Republic, Madame President of the EU Council of Ministers, ministers, ladies and gentlemen:

Just over a year ago, during our meeting in Paris, we brought up the question of how to make more fluid the dialogue with the Rio Group due to the diversity of the various specific realities of the Americas.

We took up this task with the basic objective of participating in the Inter-Governmental Summit that has just opened in Turin with a clear design of the framework of our future relations.

Well, Mr. President and Messrs. ministers, I believe that during the past year we have not lost time. The agreement between the EU and Mercosur [Common Market of the South] was signed on 15 December in Madrid, thus satisfying the explicit desire of Mercosur that the EU be the co-signer of its first international agreement since obtaining legal status in the Ouro Preto Treaty.

It was an honor for the EU to accept the challenge that presupposes accompanying the enthusiastic adventure of integration within the Southern Cone.

In the same vein, the first round of negotiations for the agreement with Chile was held on 25 and 26 March in Brussels. In view of the outcome of the meeting, everything indicates that Florence will be the city hosting the solemn signing of the EU-Chile Agreement within the framework of the meeting of heads of state of the EU on 22 June.

Only a few weeks ago, Florence, that extraordinary city, was also witness to the success of the San Jose Meeting and to the signing of a declaration that clearly set forth the new strategic paths of our future relations with Central America.

I have no doubt that with regard to Mexico, in view of the similarity of our societies, the specific weight that this country represents in Latin America, and the objective interests of Mexicans and Europeans, this will, in the very near future, be incorporated in an agreement satisfactory for everyone.

The Andean Community has taken an important step with its recent Trujillo Modified Protocol. The bases have been set for an institutional reform that will consolidate the political vocation of the Andean integration process. The Presidential Council and the Andean Council of Foreign Ministers that have now been incorporated into the treaty override the previous framework, which in the end was based on a technical organization that was given the impossible task of compensating for the lack of sufficient political will.

Referring to the concrete realities of relations between the EU and Latin America, I would first like to recall some economic data that demonstrate the importance of what has already been accomplished during the past year.

The volume of trade between our two regions has increased from approximately $40 billion in 1990 to practically double that figure in 1995. Our trade exchange has doubled in five years.

In 1994 direct investment by Europe in Latin America amounted to some $7 billion, representing the highest figure to date in our economic relations.

Referring to cooperation, if only donations are taken into account, the aid that the community budgeted for the region in 1995 exceeded, for the second consecutive year, 500 million ECU's. Concretely, in that year the figure of 553 million ECU's, or approximately $700 million, was achieved.

If to this amount, which comes directly from the community's budget, one adds bilateral cooperation on the part of each of the member countries, the

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EU's solidarity effort toward Latin America in 1995 amounted to $2 billion.

In the second place, and referring now to the political sector and the framework of our political strategy, the European Council of Madrid has approved the new 1996-2000 guidelines that have defined, and will define, the framework of our relations and the topics of the European agenda regarding Latin America with a view to the next century.

In the long term, we have already defined a set of beliefs on which there has been broad consensus since the Sao Paulo Declaration. This doctrine puts forth an autonomous and specific model for relations between Latin American and Europe. Europe's agenda for Latin America, therefore, addresses a specific and autonomous relationship that has been jointly decided by the two blocs. Consequently, it has not been — and will not be — defined in terms of other hemispheric interests, much less conditioned by such interests. The centerpiece of this relationship is, undoubtedly, a platform of shared and — above all — stable values, which do not vary from one year to the other and, therefore, are not subject to the fluctuations and ups and downs of domestic political processes. Thus the Europeans' vision is to maintain this approach, which, I repeat, is autonomous and independent, in its relations with Latin America. Naturally, as we discuss the points on our agenda, we will have to permanently refer to the principles that we have jointly defined. Unfortunately, day in and day out, history shows that to talk about peace, democracy, solidarity, and human rights is not a routine intellectual exercise. Those involve, on the contrary, deficiencies that democratically.... [corrects himself] excuse me, dramatically affect millions of people whose only responsibility lies in having been born and lived in certain places of our countries. The enhancement of our dialogue will not entail the search for new subjects of discussion, but rather the improvement of their modalities so that we can build on an increasingly intense relationship of trust. In sum, it is a question of clearly and seriously discussing veritable problems. If we indeed want to build an international order in which participation plays an increasingly important role, we will have to start by reaching agreement between partners who share the same principles — as is our case — and who, moreover, gamble on achieving a more balanced world.

On the international agenda, there are, already, several meetings which invite us to this type of agreement. The next ministerial conference of the WTO in Singapore or the reform process in the United Nations, are, for example, subjects in which it would be of utmost importance to have a good coordination in our regions. Drugs, drug trafficking, or social development are fields in which there are many possibilities for reaching understanding.

This notwithstanding, I would not be faithful to myself if I did not insist once again on the subject of solidarity, the struggle against poverty, marginalization, and social exclusion. Once we established the customs union in Europe, we verified that there was an impressive number of technical barriers and obstacles to trade, which we had to dismantle. We efficiently did so through the 1992 Single Market Project. Well, as [Bolivian Foreign Minister] Antonio Aranibar rightly said, we must be aware that other much more worrisome barriers are cropping up; namely, dire poverty, marginalization, and social exclusion. The consequence of all this is the fact that after having resolved, perhaps, the problem of trade barriers, we are conquering foreign markets, but losing domestic ones. Latin America, with its huge social debt, the EU, with our inability to resolve the most serious problem of unemployment, must recall, as was mentioned at the beginning, our humanistic roots, which form, among other things, the nucleus of our common culture. An equitable income distribution, solidarity, and social cohesion are the best guarantee for a sound domestic market, which, after all, is the only valid way to defend ourselves against the challenges posed by globalization and international crises.

I am very much aware of the fact that the following challenge is not in vogue. At any rate, I would venture to propose this challenge — the 21st century will once again prove that solidarity is also one of the most important recipes in economic policy, and particularly so in Latin America. Thank you. [applause]

International Affairs: Spanish, Mexican Heads at Rio-EU Summit

PY1604033596 La Paz Radio Cadena Nacional Network in Spanish 2300 GMT 15 Apr 96

[FBIS Translated Text] Bolivian President Gonzalo Sanchez de Lozada has championed the necessity of forming a drug enforcement triangle, comprising the EU, the Rio Group and the United States. During a chat with the media, Spanish Foreign Minister Carlos Westendorp suggested this possibility. Sanchez de Lozada supported it, but noted that it would be complicated to establish clear, effective, and straightforward talks among the three parties.

Sanchez de Lozada noted that the United States has usually challenged the achievement of multilateral solutions, but diplomatic accords are not achieved overnight.

We are on the right track and let's hope that this idea will materialize, Sanchez de Lozada said.

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We are still reporting from Cochabamba, where the world antinarcotics summit is being held.

Mexican Foreign Minister Angel Gurria today emphasized that the Rio Group, whose ministers are meeting 15-16 April with the EU foreign ministers in Cochabamba, would support the holding of a world antinarcotics summit at the UN General Assembly in 1998.

In the Mexican foreign minister's opinion, drug trafficking is changing.

Recent introduction of meta-amphetamines and ephedrine, drugs in which lawful substances for processing medicine are used in Asian and European countries, has forced the achievement of agreements such as a recent one between the Andean community and the EU on controlling precursors, Gurria emphasized.

Within this framework, Foreign Minister Gurria told Deutsche Presse Agentur [DPA] that Mexico has proposed the holding of an international meeting in 1998, within the framework of the UN General Assembly, a meeting that will update the commitments entered into in Vienna in 1988, that will recognize the changes and developments that have occurred in this field, and that will improve the international distribution of activities and cooperation in this field.

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Inter-American Affairs: Andean Group Writes Clinton on Decertification

PA1304143896 Santa Fe de Bogota EL TIEMPO in Spanish 12 Apr 96

[Received via Internet]

[FBIS Translated Text] The U.S. decertification of Colombia does not punish the guilty, to the contrary, it hinders the struggle against drug trafficking, favors crime, and strains the good relations between the two countries.

This is how Senator Julio Cesar Turbay Quintero, president of the Andean Parliament, expressed himself in a recent letter to U.S. President Bill Clinton on the Andean Parliament's observations about the consequences of the measure against Colombia.

Turbay stressed that production, illegal commerce, and drug consumption are problems that can only be resolved through the efforts of all countries of the world.

In the main part of the letter the congressman says that the decertification "does no justice to the country and to the region's efforts and realities."

Further along, the letter states that measures such as those, "aside from ignoring the results, the effort and the sacrifices by the government and Colombian society are far from punishing the criminals and those truly responsible; it ends up harming the entire community. It goes without saying that the great majority of our citizens dedicate themselves to legal productive activities."

Turbay notes: "The obstacles placed to political and economic relations make difficult the development and progress of those who carry out industrial and economic activities in Colombia and the Andean region. Thus, decertification does not punish the guilty; instead, it hinders the fight against crime, what paradoxically could become a factor that benefits crime, and regrettably it is a factor that bothers and destabilizes the traditional good relations of friendship and solidarity between our people."

Inter-American Affairs: CAF Denies Cuba Seeks Membership

PA1504144696 Madrid EFE in Spanish 2308 GMT 14 Apr 96

[FBIS Translated Text] Georgetown, Guyana, 14 Apr (EFE) — While Cuba has not applied for shareholder membership in the Andean Development Corporation (CAF), it has asked the CAF for technical and other forms of support. CAF President Luis Enrique Garcia told EFE that although the organization is ready to consider any Cuban membership request, Cuba (which has been suffering an economic embargo for the past 34 years) has not applied for or expressed any interest in CAF membership over the next two years. "Cuba has not requested this...Cuba approached us a long time ago, not to become a shareholder but to study certain kinds of assistance that CAF could offer," he said. Garcia went on to say that CAF, created 26 years ago to promote the area's economic integration, has offered many countries in the area, including Cuba, experience and information. "All CAF member countries maintain diplomatic and commercial relations with Cuba. One way of helping them is providing the means for them to exchange information," he added. Garcia also said: "Professionals know how to look at our positive experience in this structural reform that the Andean community countries have applied in the past 10 years." The list of CAF shareholders includes financial institutions in Bolivia, Colombia, Ecuador, Peru, Mexico, Chile, and Venezuela; Andean Group countries; and Trinidad and Tobago.

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Cuba

Cuba: U.S. Choice of 'Anti-Cuban Agent' Proves 'Mistake'

PA1504140996 Havana Radio Havana Cuba in Spanish 0000 GMT 13 Apr 96

[Commentary by Roberto Morejon; from the "Evening Information Review" newscast]

[FBIS Translated Text] It is rare for politicians and dipomats to make the same mistake twice, as it is presumed that they are smart enough to learn their lessons the first time a mistake is made. This does not seem to apply to the United States, especially with the recent appointment of Cuban-born Congressman Roger Menendez to the U.S. delegation to the 52d UN Human Rights Commission. Menendez, one of three Cuban-born legislators who very stridently conduct the dirtiest possible campaigns against Cuba, has been put in charge of pushing a resolution at this Geneva-based forum that distorts the reality of the Cuban people's prerogatives on the island.

This is not the first time the U.S. Government has included a Cuban-born citizen in its delegation to Geneva-based forums, which in recent years have become an excellent platform for attacking Cuba. U.S. authorities appointed Armando Valladares, a former policeman under Fulgencio Batista's dictatorship, representative to the UN Human Rights Commission on 11 February 1987. Rather than regenerate hostility toward Cuba, Washington made a fool of itself by appointing Valladares a diplomat to such a renowned position. They overlooked the fact that Valladares had been a well-known terrorist in Cuba: Valladares served time in Cuba for counterrevolutionary activities, including filling cigarette packs with explosives and then putting the packs in public places. Valladares was released in 1982 after faking paralysis in his cell. After arriving in the United States, he never again had any trouble with his lower limbs or made a living as a poet, an interest he claimed to have while in prison.

Two years passed. Valladares had to be removed from diplomatic posts because it was impossible for him to meet the post's demands, for which he obviously was unprepared. His morbid anti-Cuban obsession was the U.S. Government's only reason to send him to Geneva, an argument repeated this time with Roger Menendez. Although Menendez seems to be better qualified than Valladares because he is a lawmaker, this is not the reason for his appointment. The true reason is that he is a notorious anti-Cuban agent. We are in the presence of a new mistake of the U.S. politics and diplomacy. The U.S. Government is determined to consider Geneva a post through which the most primitive counterrevolutionaries must pass, as if the U.S. Government could stifle Cuba's voice with such a move.

Cuba: Mexican Editorial on U.S. Treatment of Migrants

PA1504142996 Havana PRENSA LATINA in Spanish 0455 GMT 13 Apr 96

[Editorial by Raul Diaz Ontiveros: "Declaration of War"; Mexico City EL DIA "exclusive" to PRENSA LATINA]

[FBIS Translated Text] [No dateline as received] The arrogance and brutality with which U.S. authorities usually treat Mexicans who enter that country illegally in search of better jobs has reached one of its most atrocious points with the brutal beating that Riverside, California, policemen gave to three Mexican illegals and the no-less-atrocious death of seven fellow citizens — in addition to 18 injured ones — after being chased by California border police.

The inhumane, humiliating, and criminal treatment of our fellow citizens during those two very regrettable incidents is distant — and by far — of being an exception. The rape, torture, and arrest of minors are some of the abuses committed against our fellow citizens who frequently receive a treatment worse than if they were criminals for only crossing the border to look for jobs without following the proper legal procedures.

The unjustified attitudes of U.S. migratory authorities are being reinforced by several groups of fascists who are determined to show the hatred felt by several sectors in that country against Mexican immigrants. A total of 310 unjust acts by U.S. authorities against undocumented workers was registered between 1989 and 1995 alone; more than 150 were cases of violence and approximately 100 ended up in death.

From this we can surmise that the human rights violations of undocumented workers are much more serious than what those figures indicate because many cases have not been reported. Also, our fellow citizens are victims of attacks and humiliation not only by authorities but also by the most conservative sectors of U.S. society, as well as by employers who abuse the precarious legal situation of the "laborers" [braceros].

From the ethical point of view, it makes no sense that in a country that boasts of being an example of freedom and justice for the entire world and that says it has the moral authority to act against countries that are human rights "abusers" [violadoras] that members of several ethnic minorities are victims of brutality, discrimination, and violence exercised against them with impunity by the police themselves.

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In this context, it is inadmissible to minimize the incidents that darken the good relations between both countries, which the governments of both nations are so determined to strengthen. Not to act strongly against the officials who go against the spirit of goodwill is to encourage the aggressive attitudes to which the U.S. Border Patrol is so prone.

That is why it is encouraging that Mexican authorities have assumed the diplomatic attitude of protesting such abuses. However, this is not enough. It is necessary to demand that the government in Washington take much more stringent measures to avoid a repetition of those actions of brutality and that an exemplary punishment be meted to those who so savagely beat those three undocumented Mexicans who were only looking for jobs.

Not to do this will encourage more violence against Mexicans, whose appearance and presence is not to the liking of those who foster racist and persecutory attitudes. Not to punish flagrant abuses by U.S. policemen will cloud good relations overnight at a time when it is necessary that they be strengthened to ensure a more rewarding future for both nations.

It is opportune to set a healthy precedent that will favor more positive ties between Mexican and U.S. citizens. The abuses against powerless Mexicans discredit those who commit them. This is undeniable.

[PRENSA LATINA carries the following notice after transmitting the EL DIA editorial: "This service, which is granted by agreement with each country, obeys exclusivity agreements that PRENSA LATINA has reached with prominent publications in the hemisphere. The contents express only the opinions of their respective authors."]

Cuba: Raul Castro Leads FAR's Military Council Meeting

PA1604043196 Havana Radio Rebelde Network in Spanish 1700 GMT 13 Apr 96

[From the "National Radio News" newscast]

[FBIS Translated Text] Today, General of the Army Raul Castro, Revolutionary Armed Forces [FAR] minister, will preside the FAR's military council meeting. Liliana Garcia, from the National News Agency, has more details.

[Begin Garcia recording] The meeting will analyze a summary of 1995's defense readiness report and a report on the work done by the FAR to comply with the critical guidelines given by the FAR minister on 5 March 1986. This objective has been periodically evaluated by the FAR. Also during the meeting, the results of the incentives campaign between the three armies and the winners in the different areas of the incentives campaign, during the last three years, will be announced. Participating in the meeting are the Revolutionary Armed Forces Ministry's military council members and guests, FAR high-ranking officers, officers from units that have won the incentives, and representatives from organizations and state institutions. [end recording]

Cuba: Santiago de Cuba To Help Holguin Sugarcane Efforts

PA1604044496 Havana Radio Rebelde Network in Spanish 1700 GMT 13 Apr 96

[From the "National Radio News" newscast]

[FBIS Translated Text] A column of over 400 men, with technical means, from the Julio Antonio Mella and Chile Sugar Mills, in Santiago de Cuba Province, will be in Holguin on 15 April to aid in the current sugarcane harvest efforts. Carlos Sanabria Marrero has more details.

[Begin recording] [Marrero] The Julio Antonio Mella Solidarity column is made up of 25 combines, 70 wagons, 25 trucks, 20 tractors, five plowers, two mobile maintenance units, and three brigades each with 350 cane cutters. Here, the brigades received banners from Juan Carlos Robinson and Jorge Luis Sierra, first secretaries of the Communist Party of Cuba in Santiago de Cuba and Holguin Provinces, respectively.

[Jorge Luis Sierra] We have named it the Julio Antonio Mella Solidarity Contingent because it is an expression of the people of Santiago de Cuba's will to help other territories, in this case Holguin, without stopping to rest. After having successfully concluded their harvest — we would like to congratulate them for this — they are going directly to Holguin, without any rest whatsoever. Furthermore, they have left behind the sufficient work force to assure the spring planting campaign, which guarantees next year's harvest. [end recording]

Cuba: UJC Views Effects of Helms-Burton Law on Youth

PA1604042096 Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 15 April 96

[From the "NTV" newscast]

[FBIS Translated Text] The second training seminar for the Union of Young Communists [UJC] general secretaries was held in Havana's research centers. Among other things, the seminar aimed to meet the information needs in key political and economic issues.

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This meeting, added to the analysis of the report to the 5th plenum of the Communist Party of Cuba Central Committee which took place in several youth organizations, brought up topics and ideas which are part of the daily routine of our young scientists and researchers. Oscar Treto, UJC scientific hub coordinator, stated the importance of the meeting.

[Begin Treto recording] Our main goal is to provide firsthand information to grass roots leaders in the UJC scientific hub. We also want to stress the enormous importance of human resources as fundamental source of richness. Even though we cannot compete with world class science with our financial resources, we can compete if we develop our human resources.

As we discussed economic and also political issues, another interesting topic came up: Trips abroad. We know that the Helms-Burton law is likely to be implemented, and specially the Torricelli law's track two, in important sectors such as the scientific hub. Therefore, we want our people to be prepared for this, and give the youth traveling abroad the necessary information. [end recording]

These 300 young people are representing thousands of others who make a reality of Marti's words on a daily basis, by loving and creating.

Cuba: MINFAR Selects Havana for Study on Defense Sites

PA1604041996 Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 15 April 96

[From the "NTV" newscast]

[FBIS Translated Text] Havana was selected by the Ministry of the Revolutionary Armed Forces [MINFAR] for a study of the results of the new project on defense sites. Based on this study, it is expected that there will be changes in the structure and make up of the defense zone. Also, the MINFAR will broaden the economic and social activities of its members, determine the steps to be taken in the zone in case of aggression, and the civil defense measures that must be implemented in the province.

The new regulations will be finally completed following the recommendations of experts of the three armies, which will be based on exercises taking place in selected defense zones. The day ended with the promotion of several militia men who participated in the Bay of Pigs combats to officer rank.

Cuba: Raul Castro, Militia Mark National Defense Day

PA1504160696 Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 15 Apr 96

[Report by correspondent Nelson Barrera; from the "NTV" newscast]

[FBIS Translated Text] National Defense Day was celebrated nationwide, with a variety of activities and military exercises marking the occasion. The Territorial Troops Militia [MTT] in the Playa Giron defense zone conducted demonstrations and classes on military affairs. Cienega de Zapata Municipality hopes to be named the municipality ready for defense in the second phase this year.

[Barrera] Varadero, another region of Matanzas Province and the Cuban territory closest to the United States, was declared a municipality that has its population protected in the third phase, thanks to the efforts of its residents and the thousands of construction workers who are building tourist projects here.

[Havana Radio Havana Cuba in Spanish at 0000 GMT on 15 April carries a one-minute report on National Defense Day activities. The report cites General Raul Castro Ruz, Revolutionary Armed Forces minister, during the "recently held meeting of the national council of the Cuban Revolutionary Armed Forces Ministry." Castro reportedly reiterated that "the preparation of popular militias must continue with greater vitality to ensure the country's defense, as well as their participation in other tasks related to the national economy."]

Cuba: Editorial Urges Additional Harvest Effort

PA1504190696 Havana Radio Rebelde Network in Spanish 1155 GMT 15 Apr 96

[TRABAJADORES editorial read by Roberto Canel: "Mobilization and Cooperation by Sugarcane Harvest's End"; from the "Doing Radio" newscast]

[FBIS Translated Text] We have already approached the end of the sugarcane harvest, which is the most critical and decisive phase. In the last half of April and early May, the rains could greatly complicate the grinding. Following sustained efforts, men usually feel the anxiety of the navigator who is about to dock following a long journey. The machinery and equipment are already showing signs of wear, following an intense and prolonged use. The sugarcane agriculture becomes more demanding in the work that must be performed and that cannot be delayed under any circumstances whatsoever. After April, in early May, very little can be done of what is left undone both in the harvest and

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agricultural work. In short, we now need an additional effort to secure the national objective of producing 4.5 million tons of sugar, while performing agricultural work that will allow another big step in the upcoming sugarcane harvest.

As part of this additional effort, the CTC [Cuban Workers Federation] has made a call to stage mass mobilizations on Fridays, Saturdays, and Sundays, which will help prevent any circumstances from interfering in the achievement of the big success the country needs. With these weekend mobilizations, the idea of a final sugarcane harvest strategy, based upon maximum efforts, cooperation, and solidarity, is fulfilled. The sugarcane mills and their workers, as they grind all their sugarcane, are willing to continue to complete the task of those who are behind schedule. There will be provinces that will transfer men and equipment to other territories once their sugarcane mills close operations.

The sugarcane harvest does not end for anyone as long as it does not end everywhere. The country is now approaching the 4 million tons of sugar mark; however, we must be fully aware that, in order to cross the finish line, we must take full advantage of each day. When the rains adversely affect the sugarcane harvest, we must exceed the daily average of the agricultural activities that can be carried out. When the weather favors grinding, we must amply exceed the average, which cannot be achieved on rainy days. The cost of work and resources the mobilizations and the transfer of men and equipment implies is largely compensated for if we take full advantage of the high yields the sugarcane mills can still obtain.

Sugarcane ground in May yields less and will always be less economical for the country. In March, we showed the ability to perform simultaneous work, because, while sugar production remained at an acceptable level and while most sugarcane mills were grinding, the sugarcane agriculture noticeably reduced the delays of January and February. However, despite it all, the planting plan that we had to have completed by 31 March was executed at 84 percent; the tilling of land, at 88 percent; total sowing, at 72 percent; and the clearing of fields, at 90 percent.

What was planned for April, in addition to the March delays, forces us to plant more than 100 caballerias a day to reach the end of the phase having planted enough areas with sugarcane for the early spring harvest, sugarcane that must be ground in the upcoming harvest. Another example of the intense efforts April demands could be found in the cleaning and fertilizing [rehabilitacion] of sugarcane fields. This very profitable task prevents demolition and planting costs, because it must be performed following the cutting. This phase requires a national average of 200 caballerias a day.

When 30 April arrives, we must have all plantations clean to prevent grass growth increase in spring, with its resulting yield losses in the sugar fields. Simple drainage has gone well so far this year. But when one takes into account that farmers lose over 10,000 arrobas for each caballeria when proper drainage is neglected, there can be no other goal than to ensure that this drainage work encompasses all the sugar area that requires it.

The good news is that oxen were used for cultivation of nearly 11,000 caballerias during the first three months of the year, which is 20 percent more than last year. Neither can fertilizers be overlooked in April, starting with the fact that the cost of the product requires the most rigorous observance of technical norms. First and foremost, the fertilizer must be properly buried so that the the soil benefits from the fertilizer's nutritional potential.

The critical point of the current harvest has been cutting and traction capacity. Mobilizations and those helping out must face this problem first hand. Weekend mobilizations, by increasing the cutting capacity and reinforcing pick-up's wherever manual pick-up is needed, will avoid any mill stoppages due to a lack of sugarcane on Mondays and Tuesdays.

But the harvest's permanent force and the industrial workers are irreplaceable. They will continue to uphold the main responsibility to ensure the highest results with not even a shadow of those weak completions, such as we have experienced in other years.

It is very important that bosses mobilize together with the men they lead and that they march ahead to give all they have to ensure the best organization and the best possible attention to personnel. The bosses are the ones responsible so that in every case the contribution of men and equipment to a central or a sugar zone serves as a net solution and in no way increases the problems those receiving assistance already have.

The successful conclusion of this harvest will mean a significant economic advance for the country and a tremendous moral victory, to put it in the same words Fidel uses. Cuba trusts the honor, the courage, and patriotism of workers and leaders connected with the harvest and in everyone who in one way or another helps with the sugar harvest and agriculture.

To struggle for one's own targets and for those who need assistance, to struggle to do the utmost is the watchword that should be used in this month of April, which gives us the opportunity to achieve with work the victory that 35 years ago we accomplished with arms.

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If then, on the beaches of Playa Giron, we delivered a demolishing blow to Cuba's enemies, now we will give the annexationist law that intends to shut the doors of our economic recovery, its first knockdown.

Cuba: Free-Lance Reporters 'Fifth Columnists' of U.S.

PA1504202696 Havana PRENSA LATINA in Spanish 1207 GMT 15 Apr 96

[FBIS Translated Text] Havana, 15 Apr (PL) — An official source reported in Havana today that although "free-lance reporters" are considered enemies of Cuba, authorities have maintained strict respect for their personal safety.

GRANMA INTERNACIONAL confirmed today that although some of these individuals have been warned time and again about their illegal actions, no one has been murdered, tortured, or reported missing.

The newspaper says: These reporters' activities violate the Cuban Constitution that the majority of Cubans approved in 1976 and whose Article 53 recognizes "freedom of speech and of the press within socialist guidelines."

The publication adds that so-called "free-lance reporters" have voluntarily become instruments of those who intend to defeat Cuba's social and political improvements and deny the island its independence.

The weekly lashes out at the Inter-American Press Association (IAPA) and other such organizations — which it does not identify by name — for having "orchestrated a worldwide campaign...to charge Cuba with large-scale persecution and detention of reporters."

GRANMA INTERNACIONAL also criticizes IAPA for having turned sponsor for these individuals who, financed with U.S. money, "have created illegal associations, bureaus, and press offices in Cuba."

The publication points out that the Constitution states very clearly: "The press, radio, television, movies, and other mass media are owned by the state or society and can under no circumstances become private property."

GRANMA INTERNACIONAL, a newspaper published in several languages for readers worldwide, says that most of these "reporters" have never exercised the trade professionally.

"They are portrayed as reporters" just because they have become sources of opinion or information, in particular for the Miami-based anti-Cuba stations, the newspaper comments.

The publication also points out that local authorities have not prevented these "free-lance" reporters from relaying their views to Miami stations, in particular Radio/TV Marti which leads in the broadcasting of subversive material against Cuba with the U.S. Government's approval.

The weekly recalls that the recently approved Helms-Burton law not only attempts to hamper foreign investment and world trade with Cuba but also supports these destabilizing campaigns against the Cuban people.

The paper continues: These organizations in Cuba are actually "fifth columnists" of the Washington government. "The latter should not be overlooked," it said.

GRANMA INTERNACIONAL points out that "in the presence of any crazy action" of this kind, the Cuban Revolution has every right to take those measures deemed necessary to defend and guarantee national sovereignty.

Finally, the paper questions IAPA's objectivity, saying that the organization is "an instrument of U.S. imperialism born out of the Cold War days" and that it is made up of the owners and editors of the leading newspapers on the continent.

"This organization has not strayed a single inch from the ranks of the forces most hostile to Cuba," even those which have used the most radical means to stop the sociopolitical process on the island.

IAPA's position and the Helms-Burton law cast a shadow of doubt on the nature and actions of these "free-lance reporters." GRANMA INTERNACIONAL concludes: If these reporters were truly independent, they would oppose those who protect and support them.

Cuba: U.S. Appointment Said 'Dirty Campaign Trick'

PA1504172096 Havana PRENSA LATINA in Spanish 1350 GMT 15 Apr 96

[FBIS Translated Text] Havana, 15 Apr (PL) — TRABAJADORES carries an editorial on 15 April describing the inclusion of Robert Menendez, a U.S. congressman of Cuban heritage, in the delegation that speaks out against Cuba at the UN Human Rights Commission as a dirty campaign trick.

The editorial described the appointment as a new and dirty maneuver [rejuego] against the island, adding that it shows just how dirty U.S. politics can get as elections draw near.

The weekly pointed out that Menendez represents only a small part of the New Jersey electorate, namely those who share his heritage. It also reminds readers that President William Clinton is courting these groups to secure their votes in the November elections.

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TRABAJADORES added that the courting apparently intensified after the President's advisers concluded that a victory in Florida is uncertain, particularly since right-wing extremists of Cuban origin in Miami have traditionally supported the Republicans.

The article recalled that a Republican government in the 1980s appointed Armando Valladares, a policeman under the Batista dictatorship, as U.S. ambassador to that commission for the same reasons.

The weekly added that Menendez' appointment is yet another incredible example of how U.S. officials are willing to sumbit to the demands of a handful of rogues, who have shown 1,001 times that they are adventuresome and lack even one ounce of decency.

Cuba: Roundup of Economic Developments Through 15 Apr

PA1604035696

[FBIS Report] The following is a compilation of reports on economic developments in Cuban monitored through 15 April.

Cienfuegos Province's tourism sector reports profits totaling $1 million, which represents a 14 percent increase in revenues this year. Reports indicate 423,000 tourists have visited the province, which represents a 36 percent growth compared with the first quarter of 1995. The leading sources of revenues are the Rancho Luna and Jagua Hotels, the Rumbos Recreation Group, and the Caracol Stores, which doubled their foreign currency revenues. Luis Miguel Diaz, Tourism Ministry representative in Cienfuegos, announced the Jagua Hotel, with 145 rooms, will be completely refurbished in April. (Havana Radio Rebelde Network in Spanish 1800 GMT 2 Apr 96)

Thirty rice harvesters are being built at the Heroes del 26 de Julio Enterprise so they may participate in Granma Province's rice harvest. The enterprise is working around the clock and other brigades have joined the workers' efforts. Concern about quality is evident in the machinery's design, based on the Cubar 90, which was built five years ago. (Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 9 Apr 96)

The Agriculture Ministry has issued an appeal to curb the coffee sector's depression. Only 350,000 quintals of coffee were produced during the 1995-1996 harvest. National Coffee Director Israel Rodriguez said only Guantanamo and Villa Clara Provinces have fulfilled their goals. The most tense situation is reported in the Third Front Municipality, which has a potential for 1 million cans but only 390,000 cans have been picked. All the territories have recovery plans but, at national level, between 9 and 22 percent of the areas are covered with weeds. Deficiencies in the cultural level, lack of technological discipline and recovery efforts, plus bad weather conditions worsen the situation and reduce foreign currency contributions to the state budget. (Havana Radio Rebelde Network in Spanish 1200 GMT 9 Apr 96)

Official sources reported today that Cuba's oil production totaled 371,794 metric tons during the first quarter, thus surpassing the 353,527-metric ton goal. The country's production for 1995 totaled 1,475,000 metric tons (10 million barrels), and pumping operations averaged 30,000 barrels per day. (Havana PRENSA LATINA in Spanish 1402 GMT 11 Apr 96)

Alfredo Jordan Morales, member of the Politburo and minister of agriculture, has stated that our country will achieve a superior tobacco harvest, striving to increase the 1997 sowing and production levels. The goal to reach is 3,000 caballerias in Pinar del Rio, 650 caballerias in Sancti Spiritus, 600 caballerias in Villa Clara, 40 caballerias in Cienfuegos; and various tests will be conducted in Las Tunas, Ciego de Avila, Guantanamo, and Isle of Youth. Jordan emphasized the need "to increase tobacco production for exports, which represent an important source of revenues," as well as for local consumption and the manufacture of cigarrettes. (Havana Radio Rebelde Network in Spanish 1700 GMT 12 Apr 96)

Carlos Lage Davila, vice president of the Council of State, toured the Fernando Echenique Rice Agro-industrial Complex (CAI) in Granma Province and inquired about the availability of combines and the quality of repairs. He was told that 20 combines are currently in operation, 50,000 quintals of rice are ready for harvesting, 26 combines have been repaired; and the refurbishment of 90 harvesters should be completed in Granma Province by 30 April. Part of the new imported harvesters, as well as the incomparable harvester 411, which was manufactured in Holguin, will participate in the harvest. The rice harvest is expected to yield 181,000 metric tons, which represents an 80 percent increase compared with last year, but far below the national consumption of 400,000 metric tons. (Havana Radio Rebelde Network in Spanish 1700 GMT 12 Apr 96)

Ciego de Avila Province received the banner accrediting it as the producer of 1,000,000 quintals of potatoes in this harvest. The province has produced 1,013,000 quintals to date, compared with 1,012,000 quintals in 1995, and it has the potential to produce an additional 100,000 quintals. The province has the best yield in the country — 10,000 quintals per caballeria. (Havana

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Radio Rebelde Network in Spanish 1700 GMT 12 Apr 96)

The Julio Antonio Mella CAI in Santiago de Cuba has fulfilled its sugar production goal and now faces the challenge of producing an additional 1,500 metric tons of sugar and supplying 70,000 arrobas of sugarcane to Los Rios CAI and America Libre CAI. The CAI's crews worked 117 days and overcame serious obstacles, thus being able to achieve 75 percent of the CAI's potential and surpass its recovery and production plans. Santiago de Cuba Province is 20,000 short of achieving its goal. (Havana Cubavision Network in Spanish 0000 GMT 13 Apr 96)

Haiti

Haiti: Preval To Meet With Smarth, Government Members

PA1504234796 Port-au-Prince Signal FM Radio in Creole 1130 GMT 15 Apr 96

[From "The 0730 Appointment Newscast"]

[FBIS Translated Text] There will be a meeting today between Haitian President Rene Garcia Preval, Haitian Prime Minister Rosny Smarth, and several members of the Haitian Government, according to a source close to the presidency. The meeting will be held in order to analyze how the Haitian state is doing at this time. President Preval will kick off today a national campaign on the privatization of the state-owned enterprises. This campaign is aimed at making several social sectors sensitive to the privatization issue.

Haiti: President Meets With Union Organizations 14 Apr

PA1604005296 Port-au-Prince Signal FM Radio in Creole 1130 GMT 15 Apr 96

[From "The 0730 Appointment Newscast"]

[FBIS Translated Excerpt] The head of state met on Sunday, 14 April, with several union organizations at the National Palace. The secretary general of the General Workers Federation [CGT] said that they do not understand anything at all regarding the meeting that was held between the Haitian head of state and the union organizations. They do not understand the president's position as it was expressed at this meeting.

Eight of the members of the secretariat general of the CGT went to the National Palace to meet with President Rene Preval about issues such as the privatization of the state-owned enterprises in Haiti. Following the meeting they had with the Haitian head of state, the CGT leader said he does not understand the explanations the head of state gave, about his position on the state-owned enterprises in Haiti, because Preval forgot to talk about privatization, and addressed instead the question of cooperation between the Haitian Government and the private sector. [passage omitted]

Haiti: 2 Former Military Arrested in Dominican Republic

PA1604010296 Port-au-Prince Signal FM Radio in Creole 1830 GMT 15 Apr 96

[From the "Haiti Today Newscast"]

[FBIS Translated Excerpt] The news is dominated of course by the latest information communicated to Signal FM and having to do with the arrest of two former military in the Dominican Republic. We are talking about the retired Haitian colonel who was also mayor of Port-au-Prince, Frank Romain, and former police commander Col. Joseph Michel Francois, who were arrested in the Dominican Republic on 12 April, according to what is reported today, Monday, by the press in the Dominican Republic.

According to the dailies HOY and LISTIN DIARIO, these former Army chiefs took refuge in the Dominican Republic after the military regime left power in Haiti, and after President Jean-Bertrand Aristide's return was facilitated by the international community in October 1994. It is informed in these newspapers that Joseph Michel Francois and Frank Romain will be deported to Cuba [corrects himself], sorry, be deported to Costa Rica. We are repeating: Frank Romain and Joseph Michel Francois will be deported to Costa Rica.

Rear Admiral Ivan Vargas Cespedes, Dominican Armed Forces secretary, met on 14 April with Dominican President Joaquin Balaguer to inform him of the formalities that will end up with the deportation of these former Haitian chiefs.

The same measures might be taken against two other former Haitian strong men, namely Henri Namphy and Williams Regala, according to press reports in the Dominican Republic. These arrests fall within the scope of the measures aimed at improving the relations between Haiti and the Dominican Republic. This will also favor the stability of the political situation in both Haiti and the Dominican Republic, according to reports from these newspapers edited in the Dominican Republic. [passage omitted]

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Mexico: Truckers Say U.S. Protectionist Barriers Increase

PA1504171996 Madrid EFE in Spanish 2201 GMT 13 Apr 96

[FBIS Translated Text] Cancun (Mexico), 13 Apr (EFE) — Canadian and Mexican truckers have reported that the United States has increased protectionist barriers by delaying an opening in the sector and failing to comply with NAFTA provisions. During a North American Truckers Alliance [NATA] Advisory Council meeting held in the Caribbean port of Cancun, leaders of sector organizations in NAFTA member countries debated the controversy.

Miguel Quintanilla, National Chamber of Land Cargo Transportation (CANACAR) delegate, described as "unilateral" the U.S. decision to defer the opening, which should have taken place in December, and added that the measure has affected 4,000 Mexican enterprises.

Francisco Davila, Mexican senator and NATA president, has said that U.S. protectionist barriers, far from being removed, have been increased. "NAFTA is based on the principles of justice, equality, and reciprocity. The assertion that Mexican truckers are not operationally prepared to drive on U.S. highways and that Mexico's equipment is obsolete constitutes a truly discriminating argument," he said. In addition, he said there are attempts in the United States to link drug trafficking to the technical and operational problem that Mexican carriers supposedly pose. The head of the alliance, which groups hundreds of thousands of Mexican, Canadian, and U.S. truckers, also said that the meeting's attendees agreed to endorse Mexico's full rejection of the measure.

In addition, Canadian Trucking Association President Gilles Balanger said that the controversy is due to the fact that "this is an election year in the United States and the government needs votes." He added that in Canada there are no problems with the circulation of Mexican trucks.

The meeting, held on 12 and 13 April, was attended by about 30 leaders of truckers' organizations from the three NAFTA member countries and focused on the sector's problems in each.

Mexico: Racism Said Indicator of U.S. 'Decline'

PA1504181596 Mexico City LA JORNADA in Spanish 12 Apr 96 p 1

[Article by Luis Gonzalez Souza — received via Internet]

[FBIS Translated Text] For years there has been talk on whether or not the United States has already begun to decline as a power. This not necessarily idle talk.

It is not because the world should be interested in the health of whoever wants to lead it in this era of a "new world order," as former President George Bush promised when the Persian Gulf war ended. For Mexico in particular, it is undoubtedly advisable to find out what train it is hooking onto. Is it one on its way up and with space in the cab to share its controls, or is it instead the caboose of a train with a crew that, almost blind from driving alone, does nothing but speed up on its way toward the cliff? Although important, the discussion on the decline of the United States has sometimes become simplistic. It is sometimes reduced to an evaluation of the United States' economic capability to pay the expenses that are typical of a power. Consequently, noneconomic or nonmilitary factors, which are quite important, such as cultural factors, are ignored.

Racism stands out among the latter as a distinctive indicator of decadence. Nothing like racism shows the inability to embrace diversity, to make diversity a strength rather than a burden, the inability to take advantage of the inherent riches of all races, ethnic groups, or nationalities. Racism is exclusion resulting from intolerance when what the world needs today to prevent chaos is tolerance and inclusion.

In the case of the United States, which has been a mosaic of races and immigrants since its origins as a nation, the issue of racism is particularly enlightening. Its transformation into a great power could have only happened when it learned to embrace and take advantage of the enormous diversity of the U.S. population. Or, if you prefer, when it was able to curb the racist tendencies that prevailed to date. Conversely, the United States suffers great difficulties when racism gets out of control and causes the worst conflicts (from the revolts in the 1960s to the Los Angeles riots in 1992).

In addition, very few issues such as racism confirm the old saying: "Breed ravens... and they'll pluck your eyes out." Barely a year ago, the Oklahoma bombing (168 people dead) and, more recently, the *Freemen's* threat in Montana show the head of a Frankenstein born out of racial intolerance. Until when, by whom, and at what price will the United States be prevented from becoming a nonpower, gnawed and subjugated by a "pure" race? It is here, to our understanding, where we find the profound meaning of the latest acts of violence U.S. authorities themselves committed against Mexican immigrants, acts of violence that, thanks to the powerful magic of television, have been shown as such. However, these acts of violence have indeed been outdone by the already countless murders — not only mistreatment or accidental deaths — of Mexican workers for the only crime of being illegal aliens.

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Is the United States thus escalating to new heights in its racist history? Has it already determined that the battle against racism is lost? Could a country incapable of taking advantage of racial diversity, thus cultural diversity, remain a power? Could a government incapable of preventing the self-destructive escalation of racism be an example of democracy and world leadership? Lately, the bells have been tolling for the recently deceased or mistreated Mexicans in the *paradise of freedom*. Deep down, however, these bells are tolling for the ominous future of the United States if it fails to act in time. To tell the truth, it is inevitable to say: "Shame on you." [previous three words published in English]

However, these words and speeches, even the notes of protest, are not enough. It is time for Mexican authorities to find the necessary imagination and indignation to halt the twisted relations with our *good neighbor* (Mario Gill), which has become our *major partner*, because of the hazards of "modernization." It is the same one that insists on using us as cannon fodder for, among other uses and abuses, its electoral struggles.

While all this is happening, or to make it happen, it is time for Mexican society to move into new directions by preventing a visceral anti-Yankeeism, as well as the condescension resulting from an illusion.

Mexico: EZLN Says Zapata's Demands for Land Still Valid

PA1604033796 Mexico City LA JORNADA in Spanish 12 Apr 96 p 1

["Text" of communique issued by the Mexican EZLN's General Command on 10 April; place not given — received via Internet]

[FBIS Translated Text] Communique of the Clandestine Indian Revolutionary Committee — General Command of the Zapatist National Liberation Army [EZLN].

10 April 1996.

To the Mexican People:

Brothers:

Today, 10 April 1996, marks the 77th anniversary of the death of General Emiliano Zapata, leader of the Liberation Army of the South, and historical leader of the Zapatist Army of National Liberation.

On this day, we, sons of Zapata, commemorate not Emiliano's death, but his struggle and commitment.

The Zapatist demand for land and liberty has yet to be fulfilled, meanwhile, our peasant brothers throughout Mexico continue to wallow in the poverty in which the supreme government keeps them. Instead of recognizing that the land belongs to those who work it, the supreme government sells it off cheap to powerful foreign interests to keep. Instead of using its wealth to support the poor peasants and the owners of small plots of land to make their land productive, the supreme government uses the money to support rich bankers, thieves who want to steal the goods of all honest workers. To achieve its trading ambitions, the bad government is willing to sacrifice peasants, farm workers, small- and medium-sized ranch owners, and above all, Indian communities.

A short time ago, the small- and medium-size-d ranch owners were afraid that the peasants would invade their lands. However, the threat to the small- and medium-sized ranch owners did not come from the peasants, but from the richest of the rich. These powerful landowners not only take away their lands, but also their machinery, crops, and even their personal belongings, after putting them in jail. Today, the worse enemy of the Mexican rural areas is the usury practiced by the owners of large banks.

Deceived by the supreme government, the small- and medium-sized ranch owners applaud the bloody eviction of the peasants, and the death and imprisonment of their leaders, crimes disguised under legal wraps. However, they are not aware that these evictions have not been carried out to restore their lands to them, but to ensure that the banks have riches to confiscate.

The rancher's elation last only a few hours after government forces vacate the lands which have been taken by historical right, hunger, and desperation. The law that kills to give back the lands to the small- and medium-sized ranch owner is the same law which, a few hours later, confiscates all their possessions not to compensate for the debts they have contracted, but to pay for the interest on those debts which are nothing but legalized theft. The small- and medium-sized ranch owner who applauds and celebrates the frontal empire [imperio frontal] of a law which only benefits those who have everything, tomorrow will lament that murderous force which he praises today. It will take his land, home, machinery, cattle, personal belongings, and family. In addition it will take him to jail for the same sin that it took the landless Indians and peasant to jail and death, that is, for being poor.

The Zapatist slogan of land and liberty has been taken up by the field workers, peasants without land, impoverished land holders [ejidatarios], small- and medium-sized property owners, and by men and women who are last to share in wealth and in life, and the first to share in misery and in death: The Mexican Indians.

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We, Zapatists, are fully aware that Zapata lives, that the fight for freedom and land has not ended, and that government documents and officials' statements fail to resolve the abject poverty in which the Mexican countryside is immersed.

We, Zapatists, are fully aware that the neo-liberal reforms of Article 27 of the Mexican Constitution were not made to secure small- and mid-scale industries. They were not made to promote investments in the countryside or to improve the living conditions of ejido residents and people who live and farm on communal land. The anti-Zapatist reforms of Article 27 were made for the powerful to legalize their thefts and plundering. Those thieves who live off the government and banks and who live abroad do not care if the land produces; they are not interested in working it, planting on it, or harvesting from it. They are interested in it to sell it, to speculate with it, to destroy it by tapping what it nests in its womb — oil, uranium, or other minerals — or to exploit what gives life to it — lumber and water. These thieves need energy, and in order to get it, they are willing to wage a war and do away with everything that gets on their way. Indians and poor peasants get on their way, so do small- and mid-scale proprietors.

Those who think that they are going to recover or retain their wealth with the force of the law are fooling themselves; the only thing this law seeks is to expedite and make theft easier. The lessons we now recall, the lessons we must not forget are not a few. One of them is that the powerful betray and that we cannot trust them, that lies lurk behind the rulers' smiles, that death is behind their words, that oblivion dwells in their promises.

There is another lesson, however. The problem with the Mexican countryside will be resolved only with the participation of all those who live in it, those who produce with honesty, nobleness, and reason.

We now want our words to reach not only all our Indian brothers of Mexico, all poor peasants, all those who have no land, all agricultural workers, but also small- and mid-scale businessmen. We want to tell them let us not trust power, let us not divide our strength and words, let us join forces and words not to steal and plunder, but to demand what belongs to us: The right to honestly work the land.

Today we want to call on those who own no land or have no freedom; we want to urge them to fight against a single enemy. It is the fight for the land, freedom, the fight against power, money, profiteering, and crime. We have to join forces. None of them will be able to survive on his own; power needs all of us to forgive one another, to confront one another. The government power is not to serve any honest citizen; it exists only to serve itself and those who are its accomplices.

The legality they offer is nothing more than a mask to hide their new betrayal; they want to reenact the Chinameca incident in the Indian communities, the ejidos, the small- and mid-sized properties. United we can prevent it.

Death to profiteering and crime!

Long live Emiliano Zapata!

Democracy, freedom, and justice.

From the mountains of southeastern Mexican. Clandestine Indian Revolutionary Committee-General Command of the Zapatist National Liberation Army.

Mexico: Roundup of Economic Developments Through 14 Apr

PA1504200096

[FBIS Report] The following is a compilation of reports on economic developments in Mexico monitored through 14 April.

The Environment, Natural Resources and Fisheries secretariat is to invest $280 million to refurbish and modernize the national fishing fleet. This involves replacing 600 shrimp boats and overhauling 700. One of the technological developments is aimed at fishing in deeper waters. (Mexico City LA JORNADA in Spanish 8 Apr 96 p 43)

The secretariats of Commerce and Industrial Development and Agriculture, Livestock, and Rural Development have announced that due to a large shortage of corn during the first quarter of 1996, it is estimated that 1,272,452 tons will need to be imported through NAFTA's so-called import quotas. Up to now, imports have been authorized amounting to 4,198,767 tons, which is 58.2 percent over the 1996 negotiated quota "due to a lesser availability of corn in the country." (Mexico City LA JORNADA in Spanish 8 Apr 96 p 48)

Before the end of 1996, the 118 most important Mexican Securities Exchange, BMV, firms must settle short-term loans to local and foreign banks amounting to 97.7425 billion pesos. Sidek is the industrial group that most urgently needs to liquidate its short-term debt, which amounts to 11 billion pesos, the equivalent of 51.6 percent of its total assets. The Carso Group follows, with debts amounting to 6.6532 billion pesos, equivalent to 18.5 percent of its assets. Third in line is Alfa, with 4.6071 billion pesos, representing 13.9 percent of its assets. (Mexico City LA JORNADA in Spanish 8 Apr 96 p 41)

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According to a Mexico City, 8 April datelined-item, state-owned Mexican Petroleum, Pemex, earned in January $703 million for the export of an average of 499,300 barrels of oil a day. This is $104-million more than what Pemex earned in January 1995. Pemex sold an average of 173,900 barrels a day of Istmo-type light crude oil to its clients in America, Europe, and the Far East. Heavy Maya-type oil exports amounted to 844,000 barrels a day. Extra light Olmeca-type oil exports registered 481,400 barrels a day. During January, the United States acquired 76.3 percent, Spain 8 percent, and the Far East 3.7 percent. (Mexico City NOTIMEX in Spanish 1603 GMT 8 Apr 96)

Carlos Gutierrez Rios, president of the National Association of Manufacturers, Canacintra, said that industrial activity will drop 3 percent during the first quarter compared to the same period last year. He flatly denied that the additional 2 percent over the 10 percent minimum wage agreed under the Alliance for Economic Recovery, APRE is going to destabilize manufacturing plants or increase April's inflation levels. (Mexico City EL FINANCIERO in Spanish 8 Apr 96 p 25)

According to a Mexico City, 9 April-datelined item, Pemex land and sea wells produced the first two months of 1996 an average 2.819 million barrels a day, which is 5.8-percent more than the same period in 1995. The totals extracted during the first two months of 1996 were 1.311 million barrels of heavy oil, 925,000 barrels of light oil, and 583,000 barrels of super light oil. A daily average of 4.224 billion cubic feet of natural gas was extracted during the first two months of 1996, which 16.7-percent higher than the same period in 1995. (Mexico City NOTIMEX in Spanish 0536 GMT 9 Apr 96)

New car sales dropped 60 percent during the first quarter of 1996, while the sale of used cars increased. This information was provided by Jose Ramirez-Wiella of Nissan Automotriz Sol. He added that some recovery is expected for the next quarter. (Mexico City EL FINANCIERO in Spanish 9 Apr 96 p 17)

According to Mexican Social Security Institute, IMSS, figures, the rate of unemployment in Nuevo Leon increased; 25,000 more people lost their jobs since January. Hopes for the 1996 recovery of 80,000 jobs lost in 1995 has dwindled. This has boosted the underground economy and is the reason why many people in Nuevo Leon are underemployed. On a related subject, financial experts say that the Mexican economy requires $50 billion in foreign capital to reinforce the financial sector, have resources for the financial sector, and fight poverty. (Mexico City LA JORNADA in Spanish 9 Apr 96 p 43)

According to a Mexico City, 9 April-datelined item, Mexicana de Aviacion and Aeromexico earned approximately $1 billion. The "Alas de America" program is expected to boost this figure between 12 to 15 percent. It involves flights from Latin American cities to North America through a joint operation with Aeroperu. (Mexico City NOTIMEX in Spanish 2113 GMT 9 Apr 96)

According to a Mexico City, 9 April-datelined item, Mexico's net international reserves on 3 April, amounted to $15.663 billion. This represents an increase of $172 million compared to the 29 March level. A Bank of Mexico communique declared that its net international assets totaled $1.238 billion, which means a drop of $503 million compared to the 29 March balance. (Mexico City NOTIMEX in Spanish 0320 GMT 10 Apr 96)

The Governments of Japan and Mexico have signed an agreement to avoid double taxation on income tax. Finance Secretary Guillermo Ortiz signed the agreement with Japanese Ambassador Terusuke Terada. Ortiz described it a decisive step to strengthen relations between the two countries. (Mexico City EL FINANCIERO in Spanish 10 Apr 96 p 9)

Volkswagen de Mexico sales during 1995 dropped 72 percent and settled at 46,242 vehicles. Volkswagen said "the drastic devaluation of the peso and the resultant economic crisis are to blame for the country's poor Volkswagen sales." During 1995, Volkswagen reported having "doubled its profits, increased invoicing 10 percent, increased production 12 percent, as well as increased its market share in Europe, South America, and Asia. (Mexico City EL FINANCIERO in Spanish 10 Apr 96 p 12)

Accumulated prices increased 8.35 percent up to March, which is a 41 percent increase over the official goal of 20.5 percent for the close of the year. The official forecast for the GDP is a drop of 3 percent for the first quarter. Economic recovery is still a long way off now that the minimum wage lost 14.4 percent of its purchasing power. Bank of Mexico authorities report that the consumer price index settled at 2.1 percent. (Mexico City EL FINANCIERO (ANALISIS Supplement) in Spanish 10 Apr 96 p 3A)

Francisco Labastida Ochoa, secretary for Agriculture, Livestock, and Rural Development, said that this week information will be released on the aid program for drought-stricken areas. Grain production will drop more than 3 million tons because 600,000 hectares will not be planted during the spring-summer cycle. Current assistance for drought areas comprises a line of credit of $125 million to finance the 400,000 heads of cattle with

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interest rates that are "the market's lowest." (Mexico City LA JORNADA in Spanish 10 Apr 96 p 46)

The Finance and Public Credit Secretariat reported on 9 April that industrial activity declined 0.2 percent by the end of January compared to January 1995. The construction industry, which has a 17.9-percent share of the industrial production, was the only sector of the four main ones that maintained its downward trend during January with a 9 percent contraction. The manufacturing industry, which contributes 71.2 percent of the secondary market, marked a 1.5 percent yearly increase in January. Mining increased its annual rate 3.5 percent during January. Electric power, gas, and water increased 1.7 percent. Maquila assembly plants grew 16.9 percent. (Mexico City LA JORNADA in Spanish 10 Apr 96 p 45)

According to a Mexico City, 10 April-datelined item, Pemex distilled in the first two months of 1996 1.5973 billion barrels less oil less than in 1995, which means a 6.8 percent drop. A Pemex press release reported the production of 505,100 barrels a day of gasoline during the first two months of 1996. Sulfur-free diesel production amounted to 243,900 barrels a day. Domestic liquid cooking gas amounted to 271,000 barrels a day. Aviation fuel amounted to 71,600 barrels. (Mexico City NOTIMEX in Spanish 0702 GMT 10 Apr 96)

President Ernesto Zedillo announced, during a trip to Morelos, an emergency program aimed at preventing a shortage of basic grains. He instructed Agriculture Secretary Francisco Labastida Ochoa to bolster production over 5 million hectares. Drought is affecting nine states. Five billion pesos will be earmarked for fertilizers, improved seeds, and to contract 10,000 agricultural engineers. (Mexico City Radio Red Network in Spanish 2300 GMT 10 Apr 96)

The Finance and Public Credit Secretariat reported yesterday that industrial activities decreased by 0.2 percent in January 1996 compared to the 1995 figures. This is the smallest drop in the past 12 months. (Mexico City EL FINANCIERO in Spanish 10 Apr 96 p 29)

In Tampico, Tamaulipas, during the Easter Week sales increased by from 10 to 20 percent following the 30-percent drop during their first quarter of 1995. Department stores, shoe stores, clothing stores, and art galleries showed up to a 100-percent increase. The Chamber of Commerce described this as "economic reactivation."

Coahuila has become the second largest producer of nuts. Walnut production is approximately 40,000 tons annually. Mexico produces 19 percent of the world's total walnut production.

In January, the national metallurgical production showed an 8.9-percent increase compared to the 1995 January production figure. (Mexico City EL FINANCIERO in Spanish 10 Apr 96 p 18)

Of the 16 financial groups whose prices are listed in the Mexican Securities Exchange, BMV, 11 have concluded the fiscal year with losses or profit declines. Only five intermediaries emerged unscathed through 1995, a very difficult year for the financial sector. The final figures delivered to the BMV by the financial groups show that as a whole they had earnings for 12.213798 billion pesos, almost 30-percent above the 1994 figures. (Mexico City EL FINANCIERO in Spanish 10 Apr 96 p 4)

According to a Mexico City 11 April-datelined item, it was reported today in this capital that until March, the total foreign investments in the BMV amounted to $30.9116 billion, an 8.34-percent increase over the February figures. Of this, $28.28342 billion went to the stock market and $2.62818 billion went to the money market. (Mexico City NOTIMEX in Spanish 11 Apr 96)

According to a Durango City, 11 April-datelined item, President Ernesto Zedillo announced today that the states of Chihuahua, Coahuila, Tamaulipas, Nuevo Leon, and Durango will be granted economic support for more than $149 million to face the drought affecting these northern states. He said that the weight of the economic crisis must not be placed on the peasants. (Mexico City NOTIMEX in Spanish 1810 GMT 11 Apr 96)

A report from the National Chamber of the Construction Industry, CNIC, has stated that the shortage of works, new investment delays, credit restrictions, the high cost of money, and public budget adjustments prompted a 47-percent real drop in the construction industry and a 41.13 percent loss of labor force in 1995. For the CNIC, the sector's GDP fell by 22 percent, three times more than the national GDP drop, which gives an idea of "the difficult situation construction companies experienced in 1995 and forecasts a bleak immediate future." According to CNIC figures, more road and building works were suspended, dropping by 60.11 and 47.9 percent, respectively. In 1995, approximately 200,000 sources of jobs were lost, which triggered the loss of 2.5 million jobs, due to the closure of approximately 7,000 companies in the last three years. Most sources of jobs were lost in Mexico City, Veracruz, and Jalisco. The report also stated that the value of completed public works fell by more than half, amounting to 19.971 million pesos. (Mexico City LA JORNADA in Spanish 11 Apr 96 pp 1, 46)

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According to information obtained by Profeco, the Office of the Federal Attorney for Consumers, the prices of staples increased beyond inflationary expectations between January and April 1996. In addition, more price increases are expected, because according to the Price Directorate of the Commerce and Industrial Development Secretariat, Secofi, warnings for price increases for sweets and daily products have started to arrive. The Profeco reported that prices for most staple products increased substantially during the aforementioned period. For instance, cooking oil prices increased by 22.8 percent; roasted coffee prices, by 10 to 15 percent, beef prices, by 23 percent; and chicken prices, by 30 to 37 percent. Moreover, the prices of range eggs increased by 8.6 percent; ham prices increased by 15.5 percent; corn starch prices, by 12.3 percent; Maria cookie prices, by 22.5 percent; and chili pepper prices, by 21.7 percent. (Mexico City LA JORNADA in Spanish 11 Apr 96 pp 1, 46)

The Secretariat of Finance and Public Credit, SHCP, has reported that the country's trade surplus increased by $418 million in February, a 40.6-percent drop compared to January's trade surplus. The accumulated trade surplus for the first two months of the year amounted to $1.122 billion. In addition, merchandise exports totalled $7.4 billion in February, a 16-percent increase compared to February 1995 exports. Accumulated exports for the first two months totalled $14.444 billion. Furthermore, the SHCP reported that the country's merchandise imports amounted to $6.622 billion during the same month, and accumulated imports totalled $13.322 billion. Imports of consumption goods amounted to $498 million in February; intermediate goods, to $5.376 billion; and capital goods, to $748 million. (Mexico City EL FINANCIERO in Spanish 11 Apr 96 p 22)

According to a study conducted by EL FINANCIERO's Economic Analysis Unit, based on information from the Bank of Mexico and the National Institute of Statistics, Geography, and Information Science, INEGI, the economic activities linked to the foreign sector are showing signs of improvement in their operation levels. The machinery and equipment sector stands out as its production volume increased by 4.7 percent in January. In addition, machinery and equipment exports increased by 45.9 percent, while their imports dropped by 5.4 percent. The study also showed that the sector's trade deficit fell by 83 percent to $116.2 million. (Mexico City EL FINANCIERO ("ANALISIS" Supplement) in Spanish 11 Apr 96 p 2A)

In a speech in Cuernavaca, Morelos State, President Ernesto Zedillo has said that many Mexicans are still living in poor conditions and lack the opportunities they deserve. As for economic and technical subsidies, President Zedillo said they will help producers to be more profitable. He asked Agriculture Secretary Francisco Labastida to expedite resources from the Program for Direct Support to the Countryside, Procampo, for the acquisition of fertilizers and seeds. Moreover, he pointed out that 10,000 agricultural technicians should be hired to help countryside people plant at least 5 million hectares. He also signed the state's social development agreement, which demands 4.5 billion pesos in federal investments for 1996. (Mexico City XEW Television Network in Spanish 0300 GMT 11 Apr 96)

According to a Monterrey, 12 April-datelined report, Javier Trevino, international cooperation under secretary of the Foreign Relations Secretariat, has reported that Mexican exports to Latin American countries increased by up to 100 percent in 1995. Exports to Chile increased by 100 percent; exports to Bolivia, by 66 percent; exports to Colombia, by 51 percent; exports to Venezuela, by 89 percent; and exports to Costa Rica, by 42 percent. Trevino added that Mexico reported $150 billion worth of exports last year, $100 billion of which were to the United States. Regarding NAFTA, he said that exports to Canada and the United States increased by 20 percent during its first year. (Mexico City NOTIMEX in Spanish 0640 GMT 12 Apr 96)

Foreign investments in the Mexican securities market amounted to $30.9116 billion in the first quarter of the year, which is an 11-percent increase compared to investments made in the last quarter of 1995. Reports released yesterday from the Mexican Securities Exchange, BMV, indicated that foreign investments in Mexican companies' securities represent 27.56 percent of the BMV's capital, which is estimated at $102.6249 billion. In addition, foreign investments in government securities dropped by $710.46 billion from December 1995 to March 1996. (Mexico City LA JORNADA in Spanish 12 Apr 96 — received via Internet)

According to a Mexico City, 13 April-datelined report, Secofi reported that $608.9 million worth of direct foreign investments flowed into the country in the first two months of the year. According to a Secofi bulletin, 47.51 percent of these investments, $289.3 million, were invested in the industrial sector; 22.68 percent, $138.1 million, in the communications and transportation sector; 12.78 percent, $77.8 million, in the trade sector; 11.68 percent, $71.1 million, in the services sector; and 5.35 percent, $32.6 million, in the other sectors. In addition, Secofi reported that 67.25 percent of these foreign investments came from the United States; 22.93 percent, from Germany; and 3.61 percent, from Sweden. In February, the National Foreign Investments Commission approved 10 new projects amounting to $96.3 million in February. (Mexico City NOTIMEX in Spanish 0014 GMT 13 Apr 96)

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Nicaragua

Nicaragua: Electoral Council Warns of Election Problems

PA1504223996 Managua Canal Dos Television in Spanish 1600 GMT 14 Apr 96

[From the "This Week" newscast]

[FBIS Translated Text] The Supreme Electoral Council [CSE] today issued a new warning about the problems the electoral process is facing. CSE magistrates have presented to the executive branch seven points that block the development of the process. Among them are lack of funding, confusion in territorial delimitation, insecurity, and lack of conditions for ad hoc registration in 26 municipalities in the northern part of the country.

In addition, the national census fails to include approximately 200,000 potential voters.

The executive branch has promised to present a clear and transparent report on the management of government to the international community. In a meeting with the community of donor countries, Minister Pereira [not further identified] pledged to deliver monthly reports on the government's actions and foreign aid.

Speaking as spokesman for the outgoing government, Pereira stated that the government will not divert funds for party activities in the electoral campaign, and he promised an exemplary government transfer.

Nicaragua: Poll Sees Aleman's Popularity Down, Ortega's Up

PA1504225596 Managua Radio Sandino in Spanish 1200 GMT 15 Apr 96

[From the "What's Happening?" newscast]

[FBIS Translated Text] According to a poll conducted by the [word indistinct] Communications Research Center, the popularity of Arnoldo Aleman, candidate for the pro-Somozist Liberal Alliance [AL], has declined to 17.3 percent. Meanwhile, the support rate of Commander Daniel Ortega Saavedra, FSLN [Sandinist National Liberation Front] candidate to the presidency of the Republic, remains unchanged at 23.4 percent. These two candidates are trailed by candidates from other parties.

This poll was conducted between 12 and 16 March of this year, with a total of more than 400 interviews. According to the poll, Ortega Saavedra would have won the presidency in Leon had elections been held yesterday, 14 April.

Carlos Fernando Chamorro Barrios, director of "This Week" television magazine, yesterday pointed out that Aleman appears way below his normal support rate, trailing the current secretary general of the FSLN.

Panama

Panama: Colombian Ambassador on Rebels in Darien Jungle

PA1504121096 Panama City Circuito RPC Television in Spanish 2300 GMT 12 Apr 96

[Report by Hugo Famania; from the "RPC Television News" newscast]

[FBIS Translated Text] The presence of Colombian rebels in the Darien jungle has triggered the concern of the Colombian Government. Colombian Ambassador to Panama Alfonso Araujo Cotes has asserted that both countries should unify their views and actions to stop the trafficking of weapons to the narcoguerrillas through Darien.

The Revolutionary Armed Forces of Colombia [FARC] are unsuccessfully, but avidly, attempting to break the friendship that exists between Colombia and Panama, Alfonso Araujo Cotes observed. The diplomat's statements were made after the FARC sent a note to the National Police in Darien proposing a sort of pact of nonaggression.

[Begin Araujo Cotes recording] We have always been concerned about this and have called it to the attention of the Panamanian Government. We have requested that we coordinate measures to stop such actions, which could upset the tranquillity and peace between our two countries at any given moment. [end recording]

Colombia has only received unofficial replies to the issue up to now, the diplomat revealed. He did admit that both countries have exchanged intelligence information on the matter and [3-second break in reception] expect the talks will lead to the achievement of our objective.

[Begin Araujo Cotes recording] The two governments must coordinate actions to unite their wills and efforts to counter the common enemy: The guerrilla and the narcoguerrilla. [end recording]

The objective is to stop gun-running activities, the shipment of weapons to the Colombian guerrillas through Darien. The question is, however, do we do enough to confront this problem?

[Begin Araujo Cotes recording] As the U.S. ambassador has said, I believe no one is doing enough, starting with the United States. [end recording]

The FARC, which has approximately 10,000 members in its ranks, has been operating for close to 50 years in Colombia.

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Panama: Opposition Parties Favor National Meeting on Canal

PA1504150496 Panama City Circuito RPC Television in Spanish 2300 GMT 12 Apr 96

[Report by Alexandra Cinigilio; from the "RPC Television News" newscast]

[FBIS Translated Text] After a long time, the opposition parties could finally be deciding to unify views. The issue, this time, is not a political alliance with electoral objectives but the future of the Panama Canal. Molirena [Nationalist Liberal Republican Movement] President Ramon Morales has confirmed that representatives from the opposition parties have been able to sit down to talk about the issue. Thus, the idea of discussing the future of the maritime pathway in a national meeting, sponsored by the United Nations, seems to be acceptable.

[Begin Morales recording] The climate for participating in such a meeting seems to be very favorable at this time. We are all aware that this is perhaps the most important current issue for the citizens of this country, and we cannot ignore it. [end recording]

After the first meeting, Molirena believes that there are still other priority issues that must be discussed. For example, Canal alternatives, future investments, the governability of the Canal after the year 2000, among other issues.

[Begin Morales recording] For example: The areas of the bases. What will happen? Will they go or stay? What will happen with the areas currently occupied by the bases? How will they be used? Will they be used for services to support the operation of the Canal or for some other type of development? [end recording]

The issue of the military bases has sparked concern, especially because the president of the Republic has again referred to the possibility of their remaining after the year 2000.

[Begin former Foreign Minister Jose Raul Mulino recording] It is important that the president clarify the situation. It is important that the country state that a decision of such importance — regardless of the term they want to use, agreement, accord, or any other term — requires the people's participation. The people must reject or approve it in a referendum. [end recording]

Former Foreign Minister Mulino also endorses the idea of holding a national meeting to discuss the issue of the Panama Canal and the reverted areas.

Panama: Editorial Urges Determination of Stance on Bases

PA1504225496 Panama City EL PANAMA AMERICA in Spanish 15 Apr 96 p 6A

[Editorial: "The Nature of the Future Bases"]

[FBIS Translated Text] According to press reports, during his visit to Rome, President Perez Balladares alluded to the possibility of a U.S. military presence in our country beyond the year 2000 "in conditions different from those that have existed until now." The meaning of this declaration by the president is not completely clear.

Evidently he was not referring to the kind of U.S. presence we have had since the birth of the Republic. He said: "There will not be military bases like those that existed prior to the agreements signed in 1977." (EL PANAMA AMERICA, 12 April 1996, p 1)

Surely, neither the president nor the U.S. counterpart are sure about the nature of the presence the latter would like to have, and the former can allow, considering the complex foreign and domestic situation in a world that would view that presence as a prolongation of an obsolete semicolonial relationship, all this under the eye of national sectors watching that Canal achievements secured after a century of continuous struggles are not lost.

We can foretell, and the president apparently assumes, that the new U.S. presence, which is what in military terms mirrors the nature of a military force, will be substantially smaller. A military presence can be defensive, offensive, symbolic, of support, or occupation.

Together with the ingredient of quantity go the formalities. Will the bases operate under a joint Panamanian-U.S. command, as in Spain, or will they function as in the Balkans, under international or multinational command, as Perez Balladares proposed at the United Nations?

There is also the important issue of its purpose. Having foreign bases or forces to protect the Canal is not the same as having them to fight drug trafficking. And we understand, judging from what was said by high-raking U.S. officials of this sector, Robert Gelbard and General Barry McCaffrey, that the presence the United States wants is strictly limited to the struggle against drugs.

In our edition yesterday U.S. Ambassador William Hughes again stated that his nation is interested in keeping some of the bases from which they operate in the Canal area as part of the logistics against drug trafficking.

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Therefore, the U.S. position on the issue has been defined, and it is now time to sit down and talk, because time is running out and we must not act under pressure at the last minute, as if it involved the payment of taxes, license plates, and vehicle inspections.

And when we conclude, the referendum's constitutional mandate must be strictly complied with, once the agreement is approved by the Legislative Assembly, because the bases are a "zone adjacent" to the Canal, both for physical and historical reasons. Therefore, it requires a popular consultation, just like other treaties about the locks canal, its protection, the construction of a canal at sea level, or the construction of a third set of locks.

Panama: President Meets French President, Businessmen

PA1504232996 Panama City Telemetro Television Network in Spanish 1730 GMT 15 Apr 96

[Report by Dorita Reyna in Paris; from the "Telemetro Reports" newscast]

[FBIS Translated Text] [Reyna] Very early today, Monday, President Perez Balladares attended a very fruitful meeting at the Chamber of Commerce and Industries of Paris. The Chamber of Commerce recognized Panama's economic growth. Its members voiced satisfaction for this promotional tour, because they already had had similar contacts with Chile and Argentina, for example, and at present French missions are traveling to those two countries to further investigate and follow up with investments. They were, thus, pleased with the opportunity of holding talks with a numerous Panamanian delegation, made up of government officials and businessmen, to get answers to their questions regarding economic integration, and so on.

At that meeting with the Chamber of Commerce most questions focused on the Free Zone; the health sector, especially hospital construction; efforts to clean up the Bay, and water treatment. There was also marked interest on the railway of Panama. Economic issues centered the conference's attention, because many businessmen were involved. The Chamber of Commerce and Industries of Paris comprises a very important sector of France's economy.

Perez Balladares answered their questions fully. He also assured them that Panamanian laws treat local and foreign investments the same, that is, that there is no discrimination against foreign investments. There were also questions about tourism. Perez Balladares admitted Panama lacks an adequate tourism infrastructure, but he underscored the beauties the country has to offer. He assured his government is already working to improve hotel infrastructure and facilities for leisure tourism. He told the French businessmen that most of Panama's visitors are engaged in business tourism. Most businessmen visit Panama, he noted, to make contacts, and so on.

Of course, the Canal issue could not be absent. All countries have shown interest in Canal management after the year 2000. Perez Balladares assured them the Canal will continue to be operated with efficiency; he said the transition will go unnoticed. The French businessmen praised the Panamanian Government's decision to open up its economics. The message that was delivered is that there is juridical safety for investments.

[Announcer Manolo Barroso] Dorita, since you touched the Canal issue, according to news arriving our editorial room, the French President Jacques Chirac accepted President Perez Balladares' proposal that France cochair, along with the United States, the Universal Canal Congress.

[Reyna] That is correct. After the conclusion of the meeting with the Chamber of Commerce, President Perez Balladares headed for the Elysee Palace, which is the official residence of French President Jacques Chirac. That meeting with the French president took place at 1245. He also attended a luncheon with President Chirac involving all ministers and part of the president's delegation.

Let us recall there are seven hours of difference. When the two presidents met at about 1300, it was about 0600 in Panama. The French president accepted to cochair the Universal Canal Congress that will take place in September 1997, the other cochairmen will be from Panama and the United States. Chirac told Perez Balladares that France's relations with Latin America had not been very intense lately. He asked Perez Balladares to act as a sort of mediator to intensify France's relations with the rest of Latin America. Chirac said he accepted this designation to cochair this congress to renew his commitment with Latin America.

They also discussed some sort of French support in the area of investments. Chirac agreed with Perez Balladares that relations must now involve businessmen; that private businessmen should be the ones promoting government efforts in the area of commercial exchanges to create greater opportunities for the countries.

After this meeting with President Chirac, Perez Balladares headed for the French National Assembly. There he met with National Assembly President Philippe Seguin. The issues discussed there were similar to those touched throughout this tour: The Panama Canal, se-

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curities surrounding investments, and efforts made by countries regarding these exchanges.

[Barroso] What about the expectations of Panamanian businessmen participating in this presidential tour?

[Reyna] I think you saw my interview with Panama businessmen this morning. Of course, that interview was made when we had just arrived in France and the first contacts had not yet been made. I can advance, however, after the meeting at the Chamber of Commerce here this morning, that the results resemble those obtained in Rome, Italy and in Brussels, Belgium. There is much interest. The fact that Panamanian businessmen came with the delegation has allowed then to better explain business relations in Panama.

As was the case in Rome, French businessmen gave accounts of their personal experiences. They had worked in Panama and noted that investments do well, that there are no major problems, and that problems that emerged were solved gradually. In sum, my opinion is that there is confidence about investing in Panama, and I think that this feeling was created mostly by the business delegation accompanying President Perez Balladares.

The president moments ago granted a news conference to national journalists. Perez Balladares said he told Chirac he brought businessmen, precisely because they are the ones who can best explain the economic environment prevailing in Panama.

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Bolivia

Bolivia: Minister, Chilean Counterpart on Maritime Issues

PY1504124396 La Paz Radio Cadena Nacional Network in Spanish 1100 GMT 15 Apr 96

[FBIS Translated Text] In light of the upcoming foreign ministers meeting in Cochabamba, we have a special note.

Chilean Foreign Minister Jose Miguel Insulza and Bolivian Foreign Minister Antonio Aranibar have reaffirmed the political desire of their governments to promote a program of meetings, wherever necessary, to deal with overall topics, including the Bolivian maritime topic.

This announcement came during the Rio Group meetings taking place in Cochabamba.

The meeting between the Chilean and Bolivian foreign ministers took place at the parish pastor's house in Santa Ana de Cala Cala. It was termed by the ministers as very frank, cordial, and positive regarding aspects pertaining to efforts for bilateral rapprochement.

Bolivia: Labor Federation Urges Nationwide Mobilization

PY1604034096 Madrid EFE in Spanish 1838 GMT 15 Apr 96

[FBIS Translated Excerpt] La Paz, 15 Apr (EFE) — The Bolivian Labor Federation (COB) today decided to resume its mobilizations in the entire country, although the center of the protest movement will be in Cochabamba, 383 km east of La Paz, where the Rio Group and EU ministerial meeting is taking place.

The Bolivian Government has launched a broad security operation in Cochabamba to prevent the passage of any demonstrator near the area were the meeting is taking place.

COB leaders said that they will continue their mobilizations in the country despite the arrest of various union leaders ordered by the government with the apparent intention of slowing down the protests, demonstrations, and street blockings.

COB Finance Secretary Carlos Camargo said the government decision to order the arrest of peasant leader Alejo Veliz, allegedly to prevent demonstrations that might disturb the meeting of Rio Group and EU ministers, was hypocritical. [passage omitted]

The General Trade Union Confederation of Peasant Workers of Bolivia (CSUTCB) announced that the blocking of roads started today in Cochabamba. [passage omitted]

In La Paz there were confrontations between rural teachers and police and the blocking of streets near the central premises of the San Andres University. Early in the morning the access road to the city was closed by pensioners, although the police immediately disbanded them.

The COB protests seek to force the Bolivian Government to grant a larger salary increase than what was offered so far, besides defending the patrimony of the state oil company, Bolivian Government Oil Deposits (YPFB). Half of the company shares will be transferred to private companies. [passage omitted]

Bolivia: Police, Demonstrators Clash in Cochabamba

PY1604023496 Madrid EFE in Spanish 0050 GMT 16 Apr 96

[FBIS Translated Text] Cochabamba, 15 Apr (EFE) — The demonstrations organized by the Cochabamba branch of the Bolivian Labor Federation (COB) and the ensuing confrontation between police and university workers today ended with some 10 individuals slightly wounded and 15 arrests.

Workers, retired people, and mine and university employees carried out a series of "lightning" mobilizations in the main streets and avenues of the city in protest over the lack of attention to their economic and social demands.

Retired mine workers and rural and urban teachers clashed with police around 1600. Strongly armed police agents charged repeatedly against demonstrators, lobbing tear gas at them.

Students from the Greater University of San Simon (UMSS) tonight blocked streets in the city's university zone and confronted police with stones and sticks. Women's Juridical Office Director Julieta Montano denounced the fact that the police forces arrested men and women indiscriminately, and announced a petition of habeas corpus in the next few hours in favor of those arrested.

Labor leaders harshly criticized government authorities and announced stronger measures.

Urban teachers leader Victor Caceres said that state security agents wanted to arrest him at home, although "he managed to escape by jumping over a wall and running to his neighbor's house."

A mining leader said his union will not accept any social truce with the government because authorities wanted to show a distorted image of the national reality to Rio Group foreign ministers and EU representatives.

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COB Executive Secretary Ruben Cortez, meanwhile, announced new mobilizations for the next few days coordinated with the COB and peasants. He said the mobilizations and protest marches in Cochabamba will continue.

Bolivia: Party Officials Discuss YPFB Capitalization

PY1304005696 La Paz LA RAZON in Spanish
25 Mar 96 p A9

[FBIS Translated Text] Senator Leopoldo Lopez of the MIR [Movement of the Revolutionary Left] said last night that the party has confirmed its determination not to accept the official project to capitalize YPFB [Bolivian Government Oil Deposits]. Lopez, however, expressed hopes of reaching an agreement with the government if the official position, which will be discussed at a meeting with government officials today, is made more flexible.

"I think President Gonzalo Sanchez de Lozada will understand that the great social conflicts and the tense situation resulting from the rejection of the capitalization process make it obligatory to reach a consensus solution," the senator said.

Lopez said that all parties will present a final proposal today. "Then we will see what is the best option for an understanding," the senator said, after recognizing the existence of important disagreements.

"MIR leaders believe YPFB must remain in state hands. It could even be administered jointly with private partners, but the MNR [Nationalist Revolutionary Movement] wants to leave everything in the hands of foreign partners," Lopez said.

According to the senator, both parties agree on the urgent need to obtain enough foreign financing to guarantee supplies for the local market and the production of an exportable surplus. The difference lies on how to go about it. "MNR leaders think that the way to do it is through capitalization. MIR leaders think the correct way is through the association of YPFB with other companies to explore, exploit, transport, and trade with oil and implement other related activities," according to Lopez.

The MNR proposal kills YPFB as an operative entity, leaving it as a simple signer of contracts. MIR leaders, however, want a YPFB with the capacity to operate in production and other tasks directly. This area could also be developed with associated contracts with other companies.

According to Lopez, another controversial issue over which we do not see any point of agreement is the use of the surpluses produced by the state company. "With capitalization the surpluses go to private AFP's [Pension Fund Managing Companies] and foreign investors. We think all surpluses should be reinvested to increase profits, guarantee the supply of oil to the local market, and export," Lopez added.

Lopez said the government-sponsored new hydrocarbons bill has positive aspects and agreed with the amendments introduced to the tax regime, the size of lots, and the number of concessions for oil exploration and exploitation.

"These measures are necessary for the development of the oil industry, but those amendments could reform the law in effect since 1990," Lopez said, adding that we do not need a new law.

MNR Senator Guillermo Richter said that the capitalization of YPFB and the new hydrocarbons law are irreversible, although the government will introduce changes and accept suggestions that are considered appropriate.

Following a meeting yesterday between President Gonzalo Sanchez de Lozada and the team of government officials responsible for the hydrocarbons area, Richter told LA RAZON that the government evaluated all that was discussed with political parties over the past five days and that the results will be announced today during a joint meeting with the country's political parties.

"The negotiation process was positive and we are determined to improve the hydrocarbons law that will be discussed in Congress," Richter said.

"We respect the MIR proposals. We believe Law 90 was a good legal norm to consolidate YPFB, but it is now insufficient to attract national and foreign investments and to guarantee gas exports to Brazil," Richter added.

Richter said that despite the differences over the future of the oil company, the government and the opposition have reached "important conclusions," adding that opposition parties are now apparently convinced that the National General Treasury (TGN) will not lose a cent in the transfer of the capitalized YPFB and that resources will instead increase. Royalties will also be maintained in all departments.

"They also realized that the new bill has great advantages, that our fiscal situation will not deteriorate after the company's capitalization, and that this is the best way to implement the country's energy policies," Richter said.

The MNR senator said he was optimistic about the 25 March meeting, when government and opposition leaders will try to reach a consensus on the oil question.

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Jorge Quiroga, vice president of the ADN [Nationalist Democratic Action], warned yesterday, only a few hours before a crucial meeting on the oil question between the Sanchez de Lozada government and opposition parties, that YPFB should not be reduced to a condition in which it acts simply as a pen to sign contracts with foreign investors.

The former finance minister cautiously explained that the ADN maintains its reservations and questions on the capitalization process that the executive branch is intent on implementing.

"So far we have not heard anything (in meetings) that will make us change our positions," Quiroga said, stressing that his party is willing to understand and, in certain cases, accept the ideas of other people whenever these ideas are reasonable and well founded.

"We do not keep our mouths or ears closed," Quiroga said.

According to Quiroga, YPFB has the experience and the capacity to "represent the country" in oil deals with foreign companies, following a scheme that is different from the one drafted by the current government.

"Our greatest interest is to guarantee the construction of the gas pipeline to Brazil and the internal supply of hydrocarbons, strengthening at the same time the productive capacity of the country," Quiroga said, stressing the enormous importance of foreign investments to efficiently fulfill these tasks of undoubted national importance.

The ADN vice president thinks that oil production proceeds should be used to fight the poverty that burdens a good percentage of the population and should not be retained by a fiduciary bank, as dictated by the current MNR proposal.

The former minister stressed the importance of the agreement reached by politicians on the need to offer private investors a competitive and attractive legal regulatory framework for oil investments. "In this area we do not have significant discrepancies," Quiroga said.

Bolivia: President Views Rio-EU Ministers' Meeting

PY1504150996 La Paz Radio Cadena Nacional Network in Spanish 1100 GMT 15 Apr 96

[Live relay from Cochabamba by reporter Hans Soria]

[FBIS Translated Excerpt] Cochabamba is all dressed up to celebrate the 6th Institutionalized Meeting of Rio Group and EU Foreign Ministers that will be officially and solemnly opened this morning at 0900 [1300 GMT] by President Gonzalo Sanchez de Lozada.

Today's agenda includes three session to discuss topics related to rights... [corrects himself] sustained rights, I mean sustained development, economy, trade, investment within the context of regional integration, and stability and cooperation, in the fight against drug trafficking.

Arriving last night in this capital, President Gonzalo Sanchez de Lozada expressed hope that programs for the voluntary eradication, interdiction against drug trafficking, and alternative development will merit technical and financial support from Rio Group and EU countries.

He stated that it is an invaluable opportunity to observe the Bolivian Government's nonviolent efforts against the trafficking and transit of cocaine production and the implementation of alternative development.

Regarding today's protest marches and the blockading of roads by the Bolivia Labor Confederation [COB] and by the Sole Confederation, the president stressed that there is absolutely no reason behind it because all the demands contained in the Sole National Document of Demands have been attended to favorably, with the exception of the university budget.

He said the ideological and political positions of some radical sectors are making huge efforts to hamper the talks of the foreign ministers of the Rio Group-EU, which is a great pity.

He said he instructed the appropriate organizations — among them the Armed Forces and the National Police — to ensure that the meetings of foreign ministers is held with absolute calm and that they have the coverage that the world and all Bolivians expect. [passage omitted]

Brazil

Brazil: Editorial Views Protectionism, Export Situation

PY1304031596 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 6 Apr 96 p A3

[Editorial from the "Notes and Information" page: "Brazil Left Out of International Trade"]

[FBIS Translated Text] Among the 30 main international exporters, Brazil and South Africa have had the smallest index of growth in sales abroad (7 percent). Our exports, however, have registered the highest increase (50 percent). This data is listed in the WTO's Yearly Report, which should have received special attention from our national authorities.

International exports increased by 14 percent in value last year and 8 percent in volume. This represented a

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drop in the rhythm of growth registered in 1994, when exports increased by 19 percent in value and 9 percent in volume. Estimated growth for 1996 is less than that and will probably stand at 7 percent. The important thing is that, for the sixth consecutive time, international trade in merchandise has increased at a higher rate than the GDP, a clear indication that the globalization of the economy is creating new wealth, especially for developing countries.

The evolution of Brazilian foreign trade is far from satisfactory. Although the country has the 10th-highest GDP in the world, we rank 25th in exports and 23d in imports. We must consider, however, that we still have a closed economy. Some will attribute our weak performance in the field of exports (which are equal to only 37.4 percent of the ROK's exports and 10.6 percent of Japan's exports, although these two countries exported less than we did in 1960) to an overvaluated exchange rate. This, however, is not the most important factor, particularly because the Japanese yen was more valuated in 1995 than the real. As a matter of fact, our production costs and, worse still, our transportation costs leave us out of international trade.

We must also realize that excessively protectionist measures, which have been adopted in previous years, do not contribute to our joining the revolution that is taking place in international trade. Now, after opening its economy, Brazil contributes 1 percent to overall international imports, while the PRC and the ROK contribute 2.6 percent, and the United States 15 percent. When protectionism is allied with nationalism, the situation becomes even more serious; the informatics area is clear evidence of that. In 1980, exports of goods linked to informatics and the telecommunications area represented only 5 percent of all international trade. These exports now surpass 12 percent and are greater than the level of international trade in agricultural produce and iron ore. This, however, has not occurred in Brazil. In the name of protectionism, Brazil has kept away from exporting goods in the field of informatics. In not using the know-how acquired in the vast domestic market, the country has failed to assume an exceptionally good position as an exporter of this type of product. It appears that we have not learned that lesson and, in the case of telecommunications, we have maintained a nationalistic attitude that will probably isolate our country from growing in an area that is extraordinarily dynamic.

Brazil should follow the example of countries which, due to "assembly" industries, have become large assemblers of industrialized merchandises and now only import components in order to re-export them later as finished products. This phenomenon does not occur only in Mexico; it includes Asian countries, including the PRC. The WTO attributes the advances registered in international trade to this new type of industrialization.

It is known that there is a strong current in the WTO that favors the inclusion of trade services in the organization's norms. Last year, the export of these services totaled $1.230 trillion, equivalent to 25.2 percent of the overall trade in merchandise, which reached as much as $4.875 trillion. Brazil, however, does not appear on the list of the 30 main international exporters of trade services, and is only 26th [as published] on the list of exporting countries. In its report, the WTO concludes that interregional trade has been increasing more, in general, than international trade. It would certainly be good for Brazil if the number of Mercosur [Common Market of the South] member countries would increase, but this might require a reduction in our level of protectionism, which is still very high. All we need is to remember the car-manufacturing industry case.

We are still subordinate to a closed economy and this leaves us in an inferior position in terms of overall exports. It is necessary then to improve our performance in sales abroad. Brazil has exceptional advantages, as it has an abundance of raw materials and low costs. But it has to face other duties, which reduce the country's ability to compete in the international market. In priority order, we can mention taxation (which would require a profound fiscal reform); the high cost of money; and the lack of available money, which prevents the financial system from offering long-term credit to possible importers of Brazilian products. Transportation conditions and the precariousness of our port facilities put Brazil in an inferior position. As a matter of fact, we lack culture in the field of exports.

Brazil: Joint Military Exercises With Argentina Viewed

PY1304015196 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 6 Apr 96 p A3

[Editorial from the "Notes and Information" page: "When Armies Carry out Exercises"]

[FBIS Translated Text] It is symptomatic that on the same day it was announced in Buenos Aires that Brazil ceased to be Argentina's main foreign trade partner (Mercosur [Common Market of the South] now sells more to the EU), in Brasilia Argentine Ambassador Alieto Guadagni reported that everything is ready for the Armies of Argentina and Brazil to carry out joint military exercises in Argentina. These military exercises are the concretion of the dreams of then Presidents Raul Alfonsin and Jose Sarney, who wanted the trade union between the two countries to be complemented in the

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strategic field. The joint Army exercises will be followed by joint Navy exercises. Cooperation between the Argentine and Brazilian Navies has developed considerably as consequence of the operational difficulties of the Argentine 9 de Julio aircraft carrier which is similar to the Minas Gerais. That Brazilian aircraft carrier has been used to train Argentine Navy pilots — which is an extremely curious fact at a moment when Brazil practically no longer can maintain a Navy air force.

This is simply another step toward cooperation between the two Armies after overcoming the mutual suspicion between their Armed Forces staffs, and often between their Foreign Ministries. However, it must be pointed out that cooperation has now passed from theory to practice. For years now Argentine Army officers have attended Brazilian Armed Forces general staff courses, while Brazilian officers have studied in Argentina. More recently, they exchanged teams of General Staff officers to carry out war games on maps. Such cooperation is not always free from difficulties given that until recently the military chiefs of the two countries worked on war hypothesis between the two countries, that is, both countries considered the other a potential enemy. The political and economic reality of Mercosur has annulled this kind of planning and feeling, allowing cooperation between the two Armed Forces on maps and in the field.

Some observers compare the Mercosur (which is attempting to go through all the stages as the EU in 1957 following the Treaty of Rome, in a few years) to the EU in that the two countries will reach the same point the French and Germans reached when they created a joint brigade. This is a premature analysis. It is possible to perceive a certain Argentine pressure on Brazil to reach, as fast as possible, a common defense policy. Until recently, the Brazilian Army's apprehension to accept such a broad strategic proposal was quite evident. Especially because the idea was not appropriately equated and, let us say, framed. The Brazilian reaction was more evident when the first consultations on the subject took place. Brazil believed that Argentina, wishful to join NAFTA, would be willing to give a lot to the Pentagon doctrines in the strategic field. Now, according to Ambassador Guadagni, military exercises will take place and it has been learned that Itamaraty (Brazilian Foreign Ministry headquarters) has upgraded Argentina to the position of a strategic partner (militarily).

What are the domestic and international advantages that such closeness could yield first to Brazil, then to Argentina, and then to Mercosur? Possibly, the Argentine military officers will be the most benefited initially. Beside exchanging experience, field exercises will allow our neighbors to recover some of their pride lost in the defeat in the Malvinas Islands and with the scorn they received from Argentine society as consequence of the "Dirty War." They also suffered over the crisis the whole Argentine Armed Forces is currently going through. This crisis overnight forced the Army to cease being constituted by conscripts and forced them to become an Army of professionals, limited to 20,000 men. The swiftness with which the transformation from an Army of conscripts to an Army of professionals took place will not be well received in circles of more traditional doctrines. This is why some sectors say it is necessary to heed the Argentine military situation not only from the Army perspective, but from that of the groups that surround it. Brazil will have the opportunity to learn a big lesson from the Argentine Defense Ministry which managed — during the brief period that elapsed between the end of one kind of Army and the creation of another — to formulate a doctrine for volunteers. Strongly rooted prejudices in the Brazilian Army against the formation of a voluntary Army cam be eliminated through this contact with the Argentines. The importance of these military exercises for the Mercosur have already been announced in Brasilia: Binational forces to attend U.N. petitions. Finally, this leads to the conclusion that by insisting so much in the adoption of a common defense policy, Argentina will manage to make the Brazilian Army cross the border at least to eat a good barbecue, given that Brazil lacks a defense policy for its own territory, much less for Mercosur.

Brazil: Journalists Choose List of Best Deputies

PY1204195296 Rio de Janeiro JORNAL DO BRASIL in Portuguese 11 Apr 96 p 6

[From the "JB" Column by Mauricio Dias]

[FBIS Translated Text] Only 37 deputies can be considered the elite group of the Chamber of Deputies, according to journalists accredited to the National Congress who inform the Brazilian public of the activities in Congress. The 37 deputies were the only ones whose names were spontaneously quoted to find the top three.

The poll was carried out by FPJ-Fato, Research and Journalism [Pesquisa e Jornalismo] of Sao Paulo. It reflects the opinion of 330 journalists accredited to Congress who answered 18 questions.

The poll was unanimous. The journalists all confirmed President Fernando Henrique Cardoso's assertion during his trip to Mexico on the existence of lobbies and blocs that defend particular interests. The journalists believe the most powerful blocs are the ruralists (headed by Deputies Nelson Marquezelli, Hugo Biehl, and Odelmo Leao) and the bankers (headed by Deputies Francisco Dornelles, Benito Gama, and Delfim Netto). The journalists described the lobbies of the sugar mill

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owners, construction companies, and public employees as very strong.

When deciding which political blocs are most in tune with the interests of society, 63 percent of the journalists consider the PT [Workers Party] bloc the best, followed by the PSDB [Brazilian Social Democracy Party] (15 percent), PFL [Liberal Front Party] (13 percent), and the PDT [Democratic Labor Party] (5 percent).

The best deputies in the current Congressional term are: Jose Genoino (PT), Miro Teixeira (PDT), Michel Temer, Jose Anibal, and Antonio Kandir (PSDB), Luis Eduardo Magalhaes and Inocencio de Oliveira (PFL), as well as Germano Rigotto and Luis Carlos Santos (PMDB). They are the top 10 of only 37 deputies — spontaneously quoted by the journalists — of the 513 members of the Chamber of Deputies.

Brazil: Chairman, Rapporteur of Reelection Committee Named

PY1204175196 Sao Paulo AGENCIA ESTADO in Portuguese 2300 GMT 11 Apr 96

[Report by Claudia Carneiro]

[FBIS Translated Text] Brasilia, 11 Apr (AE) — Leaders of the PMDB [Brazilian Democratic Movement Party] and PFL [Liberal Front party] blocs in the Chamber of Deputies today appointed the chairman and rapporteur of the special committee charged with studying the proposed reelection amendment. PFL leader Inocencio Oliveira (PE) [Pernambuco] appointed Deputy Jose Mucio Monteiro (PFL-PE) as rapporteur. For his part, PMDB leader Michel Temer (SP) [Sao Paulo] confirmed that Cassio Cunha Lima (PMDB-PB) [Paraiba] will chair the committee.

Although it was taken for granted that Deputy Paulo Bornhausen (PFL-SC) [Santa Catarina] was going to be the rapporteur, Oliveira considered that, given the significance of the issue, he should appoint a deputy with greater clout in Congress. Bornhausen, who is just serving his first term in Congress, is also being mentioned as a possible candidate for mayor of Florianopolis. Thus, Oliveira ultimately decided not to appoint Bornhausen. Justifying his decision, Oliveira said: "Mucio was president of our party. He is highly respected, and it is my obligation to appoint a ranking deputy to deal with such a significant issue."

Oliveira met privately with Mucio this morning to discuss procedural matters in case the committee should be installed soon. Then they both went to Jaburu Palace to have lunch with Vice President Marco Maciel. Mucio said he intends to meet with all bloc leaders to formulate his work plan. He noted, however, that the task ahead will be arduous. Mucio said: "The debate on the reelection will not be limited to approving it or rejecting it. It will entail discussing fundamental issues to adjust to a principle. As an example, he noted that incumbent officials seeking reelection will have to resign from office to run again.

Despite the difficulties provoked by the reelection issue in the two largest blocs in the Chamber of Deputies — the PMDB and the PFL — which are reluctant to vote on the reelection issue this year, their members are beginning to take steps to have the special committee on reelection installed next week.

Brazil: Ministry Condemns Violence in Israel, Lebanon

PY1304033296 Sao Paulo AGENCIA ESTADO in Portuguese 2214 GMT 12 Apr 96

[Report by Aldo Renato Soares]

[FBIS Translated Text] Brasilia, 12 Apr (AE) — The Brazilian Government today released an official communique condemning the escalation of violence in Israel and Lebanon. "Actions of force of any kind, causing death and injury among civilians or the destruction of civilian property, are unacceptable and condemnable under any circumstance," the Itamaraty communique states.

The communique reiterates Brazil's expectation that "the Lebanese people's right to sovereignty and independence, in keeping with international resolutions, especially Resolution 425 of the United Nations Security Council, will be taken into consideration" during the consolidation of peace in the Middle East.

The official Itamaraty (Brazilian Foreign Ministry headquarters) communique has been considered "harsh" in comparison to the position normally assumed by the Brazilian Foreign Ministry regarding the Middle East conflict. For the first time, Itamaraty has clearly expressed the need for Israeli troops to leave Lebanon.

Diplomatic sources have said that the Peres administration is using the Israeli attacks on Lebanon to try to calm the Israeli rightists — who want a more radical posture against the Palestinians — before elections take place in Israel. A passive attitude by the Israeli administration against the terrorist attacks could favor radical Jewish groups in the elections.

"The Brazilian Government asks that reason prevail between the involved parties so as not to place at risk the peace process under way in the Middle East, so as not to create false justifications to either stop or revert it," the communique states.

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The Brazilian Government states that it has been "categorical and impartial in its expressions of support for the peace process and it will continue to closely observe the development of events in the region."

Brazil: Cardoso Says Reform Opponents Commit 'Sabotage'

PY1304015396 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 12 Apr 96

[FBIS Translated Text] President Fernando Henrique Cardoso has said that those who hinder the approval of the constitutional reforms in Congress are saboteurs. President Cardoso is paying a 3-day visit to Rio de Janeiro.

The president attended a luncheon to commemorate the 80th anniversary of the U.S. Chamber of Commerce. In a speech, he criticized the groups that oppose the constitutional reform.

[Begin Cardoso recording] I am not willing to yield. This is a point of no return: Either what has to be done is done or nothing will be done.

I think negotiation is necessary and democratic. However, the insistence of some minority groups, sometimes within the government forces, who seek decisions that are unfavorable for the majority of the people, cannot be considered a democratic negotiation but systematic sabotage on the will of the people. This is more like guerrilla warfare than a frank exchange of opinions. [end recording]

Brazil: Portuguese PM Arrives For 7-Day Visit

PY1504145896 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 15 Apr 96

[FBIS Translated Text] Portuguese Prime Minister Antonio Guterres arrived yesterday in Brazil for a 7-day official visit. He will be received today by President Fernando Henrique Cardoso in Brasilia. They will discuss the intensification of bilateral trade and projects like the link between the two countries through fiber optics cables. However, the Brazilian Government wants priority treatment to solve the problems facing hundreds of Brazilians who work in Portugal and who are nor recognized under Portuguese law.

The Portuguese prime minister's retinue comprises five ministers and businessmen from different economic sectors. They will be in Brasilia until 17 April when they will depart for Sao Paulo. On 18 April they will travel to Rio de Janeiro where they will remain for three days before returning to Portugal.

Brazil: Portugal, Brazil Sign Partial Abolition of Visas

LD1504185096 Lisbon RDP Antena 1 Radio Network in Portuguese 1700 GMT 15 Apr 96

[FBIS Translated Text] Portugal is opening its doors to Brazilian citizens and vice-versa. Portuguese Prime Minister Antonio Guterres has signed an accord to this effect during his six-day visit to Brazil. The accord provides for the partial exemption of entry visas for citizens from both countries. Carlos Basto reports.

[Basto] The more serious problems between Portugal and Brazil have been overcome. Antonio Guterres said so after a meeting with Brazilian President Fernando Henrique Cardoso. He was speaking about the partial abolition of entry visas in Portugal and Brazil. It is a partial abolition, but it covers many people: Journalists, teachers, scientists, businessmen, and people linked to the Arts — this is a historic accord, according to the Portuguese prime minister.

Another problem involved the fact that some Brazilian academic qualifications were not recognized in Portugal, the famous case of the Brazilian dentists wanting to practice in Portugal. No accord was signed, but a promise was made that the necessary steps will be taken very soon to resolve the problem.

Relations between the two countries have been eased — the Portuguese prime minister went further: This is a turning page.

[Begin Guterres recording] I think a historic page has been turned in the relationship between the two countries. A relationship now completely turned to a common future, on the basis of a partnership without complexes, and with a firm will to build a destiny, a destiny for the Portuguese-speaking countries. [end recording]

[Basto] During the meeting between Antonio Guterres and Fernando Henrique Cardoso, the need was stressed for a common strategy in defense of the Portuguese language in the world. The meeting, according to Antonio Guterres, marked a new boost, a decisive boost, for the creation of a Portuguese commonwealth. Portuguese Foreign Minister Jaime Gama and his Brazilian counterpart, Chancellor Lampreia, are benefiting from this boost by leaving tomorrow for Maputo.

Brazil: Portuguese PM Discusses East Timor Issue

LD1504194996 Lisbon Radio Renascenca in Portuguese to Europe 1700 GMT 15 Apr 96

[FBIS Translated Excerpt] The Portuguese and Brazilian governments have decided to eliminate the need for en-

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try visas for most trips between the two countries. Portuguese Prime Minister Antonio Guterres met Brazilian President Fernando Henrique Cardoso this afternoon. At the end of the meeting Antonio Guterres spoke to journalists, the expected joint news conference did not take place. Carla Moita reports:

[Moita] Businessmen, arts people, teachers, journalists, scientists, and tourists will no longer need a visa to travel between Portugal and Brazil. The accord was signed by the Brazilian president and the Portuguese prime minister. [passage omitted]

The accord was the only one to be signed, but intentions were reiterated. The Portuguese government gave its Brazilian counterpart assurances that the problem of the Brazilian dentists in Portugal [not having their qualifications recognized] has been practically overcome.

The two countries agreed to tighten ties and become closer partners. They undertook to open a public tender this year for the construction of the Cabral Cable, a fiber optic cable to improve telecommunications between the two countries. They also undertook to carry out more regular political, economic, and cultural contacts.

According to Antonio Guterres, Brazil gave assurances that it will attend the summit in Lisbon aimed at formalizing the creation of the oft-postponed Portuguese commonwealth.

East Timor was also broached at Planalto Palace. Despite the fact that Brazil maintains business ties with Indonesia, Antonio Guterres was pleased with the stance Fernando Henrique Cardoso expressed.

[Begin Guterres recording] Portugal has no illusions about what world economic relations are today. Portugal has never asked for a world embargo against Indonesia. As is obvious, it is natural that various countries have relations with Indonesia, that is not the issue. The issue is the commitment of countries which are our friends with a view to supporting all our efforts to ensure that human rights in East Timor are respected and that one day the people of East Timor will see their right to self-determination recognized. [end recording] [passage omitted]

Brazil: Portugese PM Says Brazil Policy 'Priority'

PY1604035196 Sao Paulo AGENCIA ESTADO in Portuguese 1722 GMT 15 Apr 96

[FBIS Translated Text] Brasilia, 15 Apr (AE) — After meeting with President Fernando Henrique Cardoso, Portuguese Prime Minister Antonio Guterres reiterated that Brazil is Portugal's foreign policy priority. During a news conference at Itamaraty Palace, Guterres said that in the talks with his Brazilian counterpart this morning, it was made clear that a path of partnership lies ahead of the two countries.

Brazilian-Portuguese trade now stands at $600 million. Gueterres, however, expects trade relations to modernize through partnerships between enterprises of the two countries. To this end, he brought the main Portuguese enterpreneurs in his entourage. Guterres said that, for example, the Portuguese telecommunications enterprise and Telebras [Brazilian Telecommunications Inc.] are negotiating an optical fiber connection to increase their data transmission and communications capacity, and that this service might be extended to other European and African countries.

The Brazilian and Portuguese Governments today signed an agreement canceling the visa requirement for citizens having passports that are valid in the two countries, and who want to enter either country as members of a cultural mission or for business, journalistic, or tourism purposes. The cancellation of the visa requirement will be valid for 90 days, and may be extended, but not for more than three months. The agreement sets forth that the beneficiaries may not engage in professional activities earning a compensation from a source located in the country in which they entered.

Guterres said that the Portuguese Government is striving to resolve the problem of non-recognized Brazilian workers in Portugal. He said the Portuguese Government already has a list of the Brazilian professionals, and has already published in the Official Gazette a memorandum of understanding to normalize the situation of those workers. The prime minister explained that Portuguese professional associations do not even recognize the professional status of the diplomats who graduated in some Portuguese universities. The trend, according to Guterres, is to promote integration between the universities of the two countries, in order to recognize their diplomas.

Brazil: Press Reaction to Cartagena Trade Meeting

96P20358A

[FBIS Report] The foreign trade ministers meeting held in Cartagena de Las Indias, Colombia from 19-21 March to discuss the creation of a common market of the Americas by 2005 prompted scant editorial reaction from the Brazilian press with the exception of two leading newspapers.

Rio de Janeiro's conservative O GLOBO of 31 March carried a by-line report by Silvia Faria and Regina Alvarez, contending that Brazil "dealt the cards" at the Cartagena ministerial meeting and blocked U.S. efforts,

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regarded as "clearly protectionist," to implement early changes in the current trade rules. The U.S. delegation, according to the writers, sought to include social and environmental provisions in trade agreements in order to erect future barriers to Latin American, primarily Brazilian, imports. They cited Ambassador Jose Botafogo Goncalves, head of the Foreign Ministry's economic and trade integration department, as saying that the United States feared that Mercosur (Common Market of the South) would grow stronger, which would reduce the region's dependence on U.S. exports.

The Cartagena meeting, the O GLOBO article claimed, reinforced Brazil's position as "the leader of the Latin American bloc opposing U.S. interests." The United States also "unsuccessfully" tried to "push" a package of foreign trade measures ahead of the timetable set by the WTO. The U.S. delegation, the source said, went to Cartagena determined to approve a communique that would make the GATT Uruguay Round decisions — on which the WTO is based — the ground rules for moving ahead on discussions on numerous issues: intellectual property, tariff reduction, new market access, removal of services import barriers, a government purchases code, and the openness, simplification, and standardization of trade rules. Only commitments to openness, simplification, and standardization of trade rules were included in the final communique, the journalists noted. Brazil and the Latin American bloc, they affirmed, maintained a cautious position on the other topics, keeping the WTO rules as the guidelines for trade up until 2005 when the Free Trade Area of the Americas (FTAA) is to be established.

Journalist Carlos Eduardo Lins da Silva, writing in center-left Sao Paulo daily FOLHA DE SAO PAULO of 29 March, observed that while "tension has lessened" in the week since the Cartagena meeting, Brazilian diplomats are still "indignant" over the U.S. attitude before the meeting. Noting that the two countries "ostensibly disagree" over the schedule, nature, scope, and implementation of the FTAA, Da Silva remarked that Brazilian diplomats disapproved of the "tone" used by some "important members of the Clinton administration" to criticize Brazil. The Brazilians, he said, found USTR official Charlene Barshefsky's attitude "arrogant and petulant."

The journalist went on to outline the various points of disagreement between the United States and Brazil over FTAA: 1) Implementation — Brazil believes that the FTAA should be achieved on the bases of already existing regional accords. The United States prefers to avoid the building blocks path because it has more bargaining power when it negotiates with individual countries than with groups like Mercosur; 2) Nature — The United States wants hemispheric integration accords to be more encompassing than those agreed upon to form the WTO, while Brazil deems any further progress premature while countries are still implementing agreements within the WTO; 3) Scope — The United States seeks to link trade integration to the establishment of labor and environment standards that must be adopted by the entire continent. Brazil, on the other hand, believes that to link trade, particularly to labor conditions, leads to protectionism and erosion of international competitiveness; and 4) Schedule — The United States wants to accelerate the FTAA's implementation, while Brazil prefers a slower approach.

The writer concluded that the results of the Cartagena meeting are generally favorable and have helped to reduce U.S. "prejudices" against Brazil. He pointed out that the building blocks concept has been maintained, no date for the FTAA implementation has been established, and the environmental issues will be examined by a continental study group after September when the WTO will reach conclusions about the issue.

The "vigorous opposition" of other countries in Cartagena to the idea of linking labor and the environment to trade seems to have shown the United States, the journalist said, that Brazil is not obstructing, but simply interpreting the points of view of neighboring countries. He cautioned, however, that even though tension has lessened, "there is no doubt the FTAA will continue to be a difficult topic in relations between Brazil and the United States."

Brazil: Poll on Municipal Elections Six Months Prior

96SM0214A Rio de Janeiro JORNAL DO BRASIL in Portuguese 8 Apr 96 p 1

[Unattributed article: "PT, PDT Battle Percentage Point by Percentage Point for Mayor's Job" — received via Internet]

[FBIS Translated Text] Former Mayor Luiza Erundina (PT [Workers Party]) and Evangelical leader Francisco Rossi (PDT [Democratic Labor Party]) are battling percentage point by percentage point for voter preference in Sao Paulo six months before the municipal election. The PDT candidate has a slight edge. In the JORNAL DO BRASIL/Vox Populi poll, which included four different combinations of candidates, Rossi received between 25 and 30 percent of the potential vote. Erundina received between 25 and 27 percent. The poll comprised 798 residents of the city of Sao Paulo.

The poll also showed that although he has the approval of 70 percent of the voters, Mayor Paulo Maluf has

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not yet managed to transfer votes to the possible PPB [Brazilian People's Party] candidates. Representatives of that slate came in last with 1 percent and 2 percent of the vote.

Rossi's lead is, however, a flash in the pan. Sociologist Marcos Coimbra, director of Vox Populi, points out that long before an actual election, voters usually choose politicians they already know. And Rossi became prominent in 1994 when he ran against Mario Covas in the second round of that election. Also in his favor is his tremendous popularity with members of the Evangelical churches. "The vote for Rossi is overstated. It happens that Maluf's group has not yet shown its size in Sao Paulo. Mayor Maluf's candidate is bound to grow and take many votes away from Rossi," says Coimbra.

Coimbra believes that when Maluf decides to associate the name of the PPB's candidate with his administration's achievements, the party will make a leap forward in people's voting intentions. Vox Populi presented Celso Pita and Lair Karhenhul as the PPB's competing candidates. They are the two municipal secretaries most highly praised by Maluf. Secretary of Finance Pita, a Rio de Janeiro economist, is keeping the government's coffers full. Secretary of Social Welfare Lair is using his money for infrastructure projects in the shantytowns.

"The voters don't know at the moment who the mayor's candidate is. It is unrealistic to suppose that the size of the Maluf group is represented by the stated potential vote for the PPB. That is what makes it so hard to predict anything for Sao Paulo," says Coimbra. Besides the fact that 3 October is a long way off, it is also necessary to remember the unpredictability of Sao Paulo voters, who can go from Janio Quadros to Luiza Erundina without giving electoral consistency a thought.

The poll shows that Sao Paulo's voters want a candidate who combines an emphasis on social projects (Erundina's strong point) with a concern for road projects, the chief characteristic of the current mayor.

Despite the instability of Sao Paulo's voters, Coimbra believes that Erundina is not likely to lose votes to Maluf's candidate. Those who prefer Erundina liked her administration and admire the PT. Luiza Erundina had the highest number of spontaneous mentions (12 percent) when interviewees were asked to reveal their choice with no list being presented to them.

It is more unlikely that Erundina's voters will change their minds unless the PSDB [Brazilian Social Democracy Party] nominates a nationally known candidate and becomes a pebble in the PT's shoe. The poll included Minister of Planning Jose Serra as a candidate on two lists. He did well, with 17 percent of the potential vote. When Serra is replaced by State Deputy Walter Feldman, the PSDB drops 11 percentage points and stops at 6 percent.

In competition with Serra, Erundina received the votes of 25 percent of those polled. Against Feldman, her vote rose to 27 percent. The one who benefits most from Feldman's candidacy is Francisco Rossi. With Serra as a candidate, Rossi has from 25 to 26 percent of the potential vote. With Feldman as his PSDB opponent, Rossi jumps to 30 percent in both simulations and winds up 3 percentage points ahead of Erundina.

Far behind the PT and PDT candidates and Serra are the representatives of the PFL [Liberal Front Party] (Joao Leite Neto, with from 4 to 5 percent of the potential vote), the PMDB [Brazilian Democratic Movement Party] (Joao Leiva—a candidate supported by former Governor Orestes Quercia—with from 3 to 4 percent), and the PPB candidate, who has a good chance of getting out of last place if his name is associated with that of Maluf.

Sao Paulo Residents Vote With an Eye to the Past

Sao Paulo—The lead held by candidates Luiza Erundina (PT) and Francisco Rossi (PDT) shows that Sao Paulo residents decide how to vote with an eye to the past. Erundina was mayor of the capital between 1989 and 1992. Her controversial administration was focused on social projects on the periphery of the city but was criticized by sectors of the PT itself. The current mayor, Paulo Maluf, is very popular. In the spontaneous poll, his name was mentioned by 6 percent of Sao Paulo's residents, although he cannot be reelected. Oddly enough, his administration is the opposite of Erundina's. Maluf's strong suit is the public works projects carried out in the central part of the city. Since Sao Paulo has problems both in the center and on the periphery, their two administrations complement each other. Although the voters like Maluf, they are nostalgic for Erundina. That is what the poll shows. Working against the former mayor's political plan is the fact that the election will take place in two rounds. Rejection of her is widespread. She was elected mayor with less than one-third of the vote in 1988, and elections in those days consisted of only one round.

Francisco Rossi's good position reflects the Sao Paulo gubernatorial election of 1994, when Mario Covas (PSDB) was able to defeat him only in the second round. Rossi campaigned without a government program. He promised to examine the state's books to determine the size of the damage done by the administrations of Orestes Quercia and Luiz Antonio Fleury. That made

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him the target of intense attacks by the PSDB. Covas, who has been in office for a year and three months, has also examined the state's books, but so far he has done little except record the bankruptcy figures. The attentive voters fondly remember Rossi the loser. An Evangelical, he faces problems with Evangelical voters. The Universal Church of the Kingdom of God recently advised its members not to vote for him. The sect and the candidate tried to reach agreement, but failed.

The potential vote for Minister Jose Serra of the PSDB is significant, but it is unlikely that he will run. If he does not, one possible candidate is State Deputy Walter Feldman, who is not well known and lacks Serra's popularity with the voters. The possible PMDB and PPB candidates (Joao Leiva and Celso Pita respectively) represent their party bosses (Orestes Quercia and Paulo Maluf). State Deputy Campos Machado (PTB [Brazilian Labor Party]) and journalist Joao Leite Neto (PFL [Liberal Front Party]) are in the campaign to collect support they can throw to a candidate in the second round.

Celebrity of One's Own an Advantage

Sao Paulo—Sao Paulo's political bosses are going to have to work hard to put their candidates in Sao Paulo's city hall. The current mayor, Paulo Maluf, is quite popular, but according to the JORNAL DO BRASIL/ Vox Populi poll, his secretary of finance, Celso Pita, received only 2 percent of the potential vote. Orestes Quercia is committed to the candidacy of Deputy Joao Leiva, who is also trailing.

Candidates who shine on their own are the ones in the best position in this contest. Luiza Erundina beat Aloizio Mercadante in the PT's nomination process. The party felt that Erundina, an experienced former mayor, had a better chance of winning than her opponent, whose selling point was his support by the party leadership. The other favorite, Francisco Rossi (PDT), is supported by almost no one—not even the party's five elected state deputies, who separated from the slate several months ago.

Transfers of votes, when they occur, follow a fickle logic. In 1988 the current minister of planning, Jose Serra, ran for mayor on the PSDB ticket and was in a good position in the polls, with 8 percent of the potential vote. But when the votes were counted, he received only half that. On the eve of the election, there was a migration of votes from the PSDB's Serra to the PT's Erundina. It is doubtful that the minister will run, and one reason will also be that bad experience. In the homestretch, Erundina managed to beat her main rival, Paulo Maluf, by a small margin and took the mayor's job away from him. On that occasion, the voters on the center-left sacrificed Serra's candidacy to prevent Maluf from winning. In the 1992 elections, that magic did not work. Maluf defeated the PT's Eduardo Suplicy in the second round, and there was no useful vote capable of saving the PT's candidate.

President Fernando Henrique has also experienced personally the difficulties involved in inheriting someone else's votes. In 1985 he was leading in the polls for the municipal elections with the support of then Mayor Mario Covas and Governor Franco Montoro. As the government's candidate, he even posed for photographs in the mayor's chair. On election day he witnessed the victory of Janio Quadros.

Luiza Erundina

PT Member's Self-Criticism Regarding Previous Administration

Former Mayor Luiza Erundina took advantage of Easter to travel and put her ideas in order. Before that, however, she and her team had already started confessing sins committed during her four years in the Sao Paulo mayor's office. "One self-criticism I make is that I governed alone for almost four years and did not make room for participation by other parties until the final year," says Erundina. Because of that, she is already stitching together alliances with sectors of the PSDB, the PMDB, and the PDT in addition to the left-wing parties that have always supported her.

In Erundina's opinion, the results of the JORNAL DO BRASIL/Vox Populi poll—especially the 12 percent she received in the spontaneous responses—reveal that Sao Paulo voters approved of her administration. "The poll shows a recovered memory of Erundina's administration and a potential for acceptance of her candidacy," says Jose Eduardo Cardoso, former secretary of government in her administration. According to him, previous polls showed Erundina as being mentioned in from 7 to 8 percent of the spontaneous responses. The former mayor was also rejected by a large number of voters because of her past administration.

Another of Erundina's concerns has to do with how to combine social policy with a public works plan developed from the standpoint of a town planning vision aimed at improving the population's quality of life. "My administration's priority will again be social because living conditions in the city have deteriorated," she says. "But this does not rule out various public works for flood control and in the area of housing."

The priority assigned to social matters is made necessary by the deteriorating living conditions being experienced by Sao Paulo's residents. "There are 1,255,000 jobless in

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Sao Paulo, poverty has increased, and so has crime," the former mayor adds. According to Erundina, "the public wants an administration that will invest more in the social area." In her past administration, Erundina spent 48 percent of the city's budget on caring for the low-income population. Maluf has invested only 28 percent of the municipal funds in the social area.

Francisco Rossi

Evangelical Is Two-in-One Candidate

Francisco Rossi, a small businessman and lawyer in his spare time, is going to campaign for election as mayor of Sao Paulo like someone selling low-cost electrical appliances for the home. "Anyone who votes for me will get a two-in-one candidate," he says. "I am going to invest in social projects, but without abandoning the road building projects that the city needs."

With that as his starting point, Rossi intends to run against Luiza Erundina, with whom he is practically neck to neck in the JORNAL DO BRASIL/Vox Populi poll. "I am fully convinced that we must seek a balance between projects of a social nature and large infrastructure projects," says Rossi.

Rossi, an Evangelical who ran for state governor with a Bible in his hand and a proposal to examine the state's books, is a politician with a career going back 17 years. He was twice mayor of Osasco, a municipality in the Sao Paulo metropolitan area with nearly 1 million inhabitants. "With my experience in governing one of the country's largest cities, I am prepared to be mayor of Sao Paulo," he says. "There is not much difference between the two cities."

The fact that the capital has a population 11 times greater than that of Osasco and, consequently, much more complex problems does not frighten the candidate. "Sao Paulo's budget is 40 times that of Osasco; it is easier to govern," he believes. The big challenge that will face Rossi in his bid to take Paulo Maluf's place will be political, not administrative.

Rossi is a candidate typical of the kind popular in public opinion: that is, one who is always remembered in polls but who reaches the ballot box only with the support of political forces rooted in society or if he has strong populist traits. The candidate from Osasco does not fit either of those descriptions. His party, the PDT, has only one municipal councilor in Sao Paulo. The Evangelicals, who were his base of support in the past, are divided. The chief Evangelical group, Bishop Edir Macedo's Universal Church, has already withdrawn its support.

The Capital That Loves PT's Way of Governing

There goes the PT climbing up the left slope. According to the JORNAL DO BRASIL/Vox Populi poll, Porto Alegre's voters will probably elect a PT member to Acorianos Palace, the seat of the city government, for the third consecutive time. Deputy Mayor Raul Pont and Federal Deputy Jose Fortunatti are going to compete for the PT's nomination next Sunday, and the one who wins will have a good chance of being elected mayor of Porto Alegre as successor to the much-praised Tarso Genro. Pont and Fortunatti have a strong lead over State Deputy Maria do Carmo (PPB), the non-PT candidate who scored highest in the four simulations presented by Vox Populi.

Raul Pont is national leader of the Socialist Democracy faction, one of the most radical groups in the PT. He received 32 percent of the potential vote compared to 8 percent for Maria do Carmo, his highest score. When the name of Alceu Collares (PDT) is added to the picture, Pont loses 1 percentage point. In his best score, the independent and moderate Fortunatti receives 26 percent of the potential vote compared to 9 percent for Maria do Carmo. Former Minister Yeda Crusius (PSDB) appears in the four simulations with 7 percent, followed closely by former Minister Jair Soares of the PFL, who hovers between 6 and 7 percent.

Governor Antonio Britto's PMDB has no prominent candidates to run. The only one available is the chief of Britto's Civilian Household, Mendes Ribeiro Filho, the same man who took back his seat as a federal deputy in Brasilia solely to vote in favor of the administration's bill on social security reform. Ribeiro Filho appears in the simulations with from 5 to 6 percent of the potential vote.

The natural tendency would be for Britto's PMDB to join forces with the PSDB, the PPB, and the PTB to form a front against the PT in the second round. If there is a second round. In Vox Populi's spontaneous poll, the respondents mentioned, in this order, Olivio Dutra (13 percent), Raul Pont (5 percent), Tarso Genro (4 percent) and Jose Fortunatti (2 percent)—all of them PT members. What is more, most of the respondents (55 percent) declared their support for the candidate chosen by the current mayor, while 13 percent said they were inclined to vote for a candidate opposing the current administration.

The PDT, a traditional power in the South mainly because of the prestige enjoyed by former Governors Leonel Brizola and Alceu Collares, is not going through a good period in Porto Alegre. The tendency by most of the party's members is to support the PT candidate in the first round.

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Mayor Tarso Genro's high level of popular approval not only confirms his popularity and his good administration but also gives his candidacy for governor in 1998 an additional boost. In the present situation, and among all the parties, only his name and that of his fellow party member, former Mayor Olivio Dutra, are mentioned most often.

PSDB Candidate in Front, But PDT Is Stronger

Although satisfied with the administrations of Governor Jaime Lerner and Mayor Rafael Greca, both of the PDT, Curitiba's voters would not vote for PDT candidates if the elections were held today. In four different simulations presented to 597 Curitiba residents in this first JORNAL DO BRASIL/Vox Populi poll on the municipal elections, the PSDB candidate, Carlos Simoes, is out in front with approval ratings of from 28 to 31 percent. Cassio Taniguchi, Lerner's secretary of planning and the governor's choice, received 12 percent of the potential vote. If the PDT's opponent were State Deputy Algaci Tulio, he would receive 11 percent of the vote.

The fact is that the voters are not voting for the PDT because they do not know Lerner's and Greca's candidates. Most of those interviewed (46 percent) would like to vote for the candidate chosen by the mayor, but when the time came to choose a name from the list presented by the pollsters, they chose the PSDB candidate. "The candidates chosen by the governor and mayor will have to promote their candidacies by showing that they are part of the administration being praised by the voters—that they represent continuity in what works," says Marcos Coimbra, director of Vox Populi.

The stampede to State Deputy Carlos Simoes is due in large part to the radio and television programs which bear his name and which have made him a well-known figure all over the capital.

The same voters who prefer Carlos Simoes for mayor are very happy with the state and municipal administrations. Mayor Rafael Greca's administration is regarded favorably by 79 percent of those polled. The voters like Greca's showy manner—any time he visits the neighborhoods on the periphery, he sings, dances, and distributes candy to anyone named Rafael.

The PDT candidates are technically tied for second place with their PFL opponent, businessman and Federal Deputy Luciano Pizzato, who received between 8 and 10 percent of the potential vote. Pizzato scores higher (10 percent) when his PDT opponent is Algaci Tulio, who receives 11 percent. If he were running against Cassio Taniguchi, he would receive 8 or 9 percent of the vote.

As candidates representing the PMDB, the pollsters presented Federal Deputies Max Rosenmann and Eduardo Requiao, brother of Senator and former Governor Roberto Requiao, Lerner's biggest opponent in the state. Regardless of the simulation, the PMDB did poorly: only 4 percent.

For or Against ACM, That Is the Question

The first round of the JORNAL DO BRASIL/Vox Populi poll in Salvador may create the false impression that voters are divided between Marcos Medrado of the PPB, Pedro Irujo of the PMDB, and Antonio Imbassahy of the PFL. Actually, that is not at all the case. By tradition, Salvador's voters vote for or against the state's biggest political figure, Senator Antonio Carlos Magalhaes [ACM]. From all indications, Imbassahy—president of Eletrobras [Brazilian Electric Power Company, Inc.]—will be ACM's choice for the election, since he is more obedient to the leader than the other front-running PFL member, Federal Deputy Benito Gama. If the senator's opponents become divided, Imbassahy may be elected in the first round.

Marcos Medrado (PPB), who comes out on top in the four simulations presented by Vox Populi with figures ranging from 19 to 23 percent, is traditionally out in front in all polls for mayor of Salvador in which his name is mentioned. A businessman who sponsors rock bands, his is a well-known name in the capital, but he begins to drop in the polls when other definite candidates appear. Pedro Irujo of the PMDB is not supported by the entire party. In the last municipal election, he participated in the alliance that elected Lidice da Mata. But now he has been reconciled with ACM, and his fate in the campaign is uncertain.

In the four simulations, candidate Nelson Pellegrino of the PT receives 6 percent of the potential vote. But the PT is prepared to ally itself with other left-wing parties to oppose ACM's candidate. At the moment, there is only one candidate who can unite the senator's opponents, and he is Roberto Santos of the PSDB. A former governor and the deputy who received the most votes in the last election, Roberto has already said that he does not want to be a candidate. In the JORNAL DO BRASIL/Vox Populi poll, he receives between 3 and 5 percent of the potential vote. But that score may rise.

"He unites the PSDB, attracts votes from the PMDB, and may bring in the PT and the PPS [Popular Socialist Party]. He is a good candidate to face up to ACM," says one influential political leader in Bahia. The PSDB's other option is Domingos Leonelli, who does not have more than 2 percent of the potential vote.

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According to the JORNAL DO BRASIL/Vox Populi poll, PSDB Mayor Lidice da Mata will have a negative effect on this year's election. The current administration was considered negative by 51 percent of those polled, compared to 45 percent who assessed it favorably. Most of those polled (52 percent) expressed the desire to vote for a candidate opposing the current mayor, compared to 14 percent who said they preferred a candidate supported by Lidice da Mata.

Power Broker's Threats

Senator Antonio Carlos Magalhaes is watching every move by his opponents. When any sign appears that the opposition candidate may be former Governor Waldir Pires or Deputy Roberto Santos, he threatens to run for mayor of Salvador himself, with Antonio Imbassahy as his deputy mayor. If that were to happen, and it is not very likely, the assessment is that it would be easier to unite the opposition to try to defeat him.

ACM emerged from the 1994 election in a stronger position. Besides supporting the winning candidacy of President Fernando Henrique and filling his seat in the Senate, he also ensured the election of Senator Waldeck Ornellas, Governor Paulo Souto, and 21 deputies. The congressman receiving the most votes in his state was his son, Luis Eduardo Magalhaes, currently speaker of the Chamber of Deputies. He recently had the support of Bahia's residents in preventing the out-of-court liquidation of the Banco Economico. And he can take credit for the reopening of that bank's branches at the end of this month. The only electoral victory he lacks is that in connection with the race for mayor of Salvador. When there is mention of the PFL's possible candidates—Antonio Imbassahy and Benito Gama—he changes the subject: "They are both good men."

The picture regarding the succession in Salvador should become clearer beginning in June. For the present, the opposition parties are choosing their candidates with plans to discuss union in the second round. The risk is that ACM's candidate will win in the first round.

Brazil: Polling Institute Director Assesses Results

96SM0214B Rio de Janeiro JORNAL DO BRASIL in Portuguese 8 Apr 96 p 1

[Commentary by sociologist Marcos Coimbra, director of the Vox Populi Institute: "Advantage in Early Poll May Be Passing Illusion" — received via Internet]

[FBIS Translated Text] In Sunday's and today's editions, the reader of this newspaper will have seen the results of the first JORNAL DO BRASIL/Vox Populi poll on this year's municipal elections. Strictly speaking, there were eight separate polls covering the principal Brazilian capitals: Rio de Janeiro, Sao Paulo, Belo Horizonte, Porto Alegre, Curitiba, Salvador, Recife, and Fortaleza. That is how it is with municipal elections, since by their nature those campaigns are strongly marked by local particularities and specifics, which have a more immediate effect on the voters and the reality of their cities.

Despite that, the fact that these polls were very uniform in methodological terms, were all conducted at the same time, and were all conducted using the same questionnaire means that we are tempted to engage in a comparative interpretation of their results. What we are trying to do is identify common elements: general features that may be common to those eight separate elections.

The first and most obvious fact is that in practically all those cities, the poll portrays a preliminary situation characterized by the absence of one or more of the contenders whom any broader analysis would single out as having a real chance of making a good showing this coming 3 October.

The reason for this is that the great majority of voters have not yet identified the candidates associated with one or another of the influential political forces in the cities surveyed—the forces capable of ensuring that their nominees do well even after starting late.

Because of that, what we have in these results is a prevalence, among the front-runners in people's voting intentions, of candidates who are well known and well remembered by the voters but whose advantageous position may, in most cases, be illusory. When voters are asked to choose today, they choose from among the names they know and do not consider others who, from all indications, they will take into account tomorrow.

That is happening in Sao Paulo, for example, where the probable electoral strength of Mayor Paulo Maluf is not obvious because the possible candidates associated with him have not yet been presented to the voters. It is also happening, again in Sao Paulo, because of the absence of an effective PSDB [Brazilian Social Democracy Party] candidate capable of representing the president and Governor Mario Covas.

It is happening in Curitiba, where the great prestige of Governor Jaime Lerner and Mayor Rafael Greca cannot be assessed, given the fact that their probable candidate is not well known. It is happening in Porto Alegre, where the PT [Workers Party] is the favorite, but where Governor Antonio Britto and the parties opposing Mayor Tarso Genro must have candidates who can do better than suggested by today's poll.

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The same can be said of Belo Horizonte, where, from all indications, the most viable candidates must be those whom the city's voters can identify with Governor Eduardo Azeredo and Mayor Patrus Ananias respectively.

The same situation can be seen even in Fortaleza, where we have the most popular of all, former Mayor Juraci Magalhaes. Despite that ranking, he will probably not have as easy an election as today's figures suggest.

But it is in Salvador that the phenomenon is most in evidence. There, barring what would be an electoral slaughter from today's perspective, the candidate representing the leadership of Senator Antonio Carlos Magalhaes and Governor Paulo Souto is the most obvious favorite, but it does not appear that way from the poll because that candidate has not yet been nominated.

To conclude with Rio de Janeiro, despite the large number of possible candidates, we here again have an instance of the same situation. With Senator Benedita da Silva's candidacy not confirmed, the way has been cleared for a clash between a candidate speaking in the name of the president and Governor Marcello Alencar on the one hand and, on the other, a candidate representing Mayor Cesar Maia. That is not visible in the poll because neither of them has yet been presented to the voters.

From all that I have said, there is one positive conclusion to be drawn. If the observations I have presented are correct, we can deduce that good municipal administrations, good governors in the eyes of the population, and leaders and parties esteemed by the voters will be important players in the next election. That tends to reduce the level of individualism, opportunism, and irrationality in our political life, an effect that is very good for democracy.

Brazil: Poor Showing of PSDB Analyzed

96SM0214C Rio de Janeiro JORNAL DO BRASIL in Portuguese 8 Apr 96 p 1

[Commentary by Dora Kramer: "PSDB Candidates on a Hot Tin Roof" — received via Internet]

[FBIS Translated Text] The Federal Government's position with regard to the contest to win the country's principal city halls in October is quite similar to that of the fox who, upon seeing the distant and inaccessible grapes, chose to ignore them. So it is, as though the grapes were green, that Planalto Palace is pretending—in public, naturally—that the president does not consider it important to have mayors—preferably of his own party—as allies in the capitals.

The impression given by Planalto Palace is that it regards mayors as sources of aggravation, requests, and demands. It is said that there is nothing useful that a friendly mayor can do for the central government. It is true that that air of presumptuous scorn collides head-on with the ambition demonstrated by certain ministers who, at PSDB [Brazilian Social Democracy Party] meetings, unrestrainedly advocate the Federal Government's forthright involvement in the contest.

But the president of the republic's personal position—and it is now infecting his nearest entourage—calls for officially keeping a prudent distance from the matter.

The results of the JORNAL DO BRASIL/Vox Populi poll have shown that the fox is right. Winning the city halls signals political erosion for anyone who decides to make the matter a life-or-death issue. But let us see what it is that actually makes the situation discouraging.

Of the eight capitals polled, the PSDB is in first place only in Curitiba, the least important of them all in terms of national politics. From the standpoint of Planalto Palace, having or not having the mayor of Parana on its side changes almost nothing.

In Sao Paulo, on the other hand, no contrived indifference can convince anyone that it is not important for the president of the republic to elect the commander of the country's most important city. The fact that Sao Paulo does not ask for anything and, although it behaves foolishly, always comes through is one thing. The fact that it involves the third-most important administrative and political post in the republic is something else.

Or does anyone believe that Planalto Palace is absolutely indifferent to the question of whether Jose Serra, who came in second in the poll, or Luiza Erundina is elected mayor? The fact is that the PSDB is likely to do poorly in this election. It is still too early to state anything with absolute certainty, but the first figures on voters' intentions indicate that there is a lot of hard work ahead.

And they show something else: The simple fact that a candidate—or candidate to be a candidate—belongs to the president of the republic's party and is, therefore, a supporter of the Real Plan does not guarantee voter approval.

The situation in Sao Paulo is more dramatic because the party simply has no candidate. The Governor's Palace still nourishes a vague hope that Jose Serra will see himself forced to accept the nomination when the time draws near for the horse to drink water. And it is precisely the awareness that that pressure will come which most torments the minister of planning, whose unwillingness to run is sincere and unquestionable.

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The situation in Rio de Janeiro is a tiny bit better. But it is a bit of nothing. Sergio Cabral Filho is in second place and head to head with Albano Reis, who has the consistency of meringue. But there are two objective difficulties: the possibility of an alliance between the PT [Workers Party] and the PDT [Democratic Labor Party]—which would make Miro Teixeira the headache of the season—and the lack of internal unity around Serginho.

He is the governor's candidate by a process of elimination. Marcello Alencar makes no secret of the fact that he would give his blood for his lieutenant governor, Luiz Paulo Correa da Rocha. What the governor expects of the other two postulants, Ronaldo Cezar Coelho and Marcio Fortes, is total commitment to the campaign. But since they are both being passed over, that will depend on how offended they are when the process is has ended.

In the country's two most important cities, the PSDB does not have natural candidates peacefully in place six months before the election.

Much less does it have any in the other capitals. In Belo Horizonte, the party ranges from third to seventh place in all the simulations, which include two different candidates. In Ceara, which the PSDB has raised to an unprecedented level of efficiency, the one dealing the cards for the mayor's office is the PMDB [Brazilian Democratic Movement Party]. Only Ciro Gomes comes close to Juraci Magalhaes, and even there the difference is 17 percentage points.

In Recife, the ball is in Roberto Magalhaes' court (meaning the PFL [Liberal Front Party]), leaving the PSDB between the fourth and fifth spots. Antonio Carlos Magalhaes' Salvador is the site of PSDB dissidence in the person of Domingos Leonelli, who, when he does not rank sixth, winds up in seventh place. And in Porto Alegre, Deputy Yeda Crusius is in third place, but with figures that discourage hope.

The figures show that besides problems with the voters, the Federal Government will also have problems with its allies. They are the ones vying for the best positions everywhere except in Sao Paulo, where first place is occupied sometimes by the the PT and sometimes by the PDT.

Given that the fate of the constitutional reforms will not be settled before the elections are over and that the fate of the amendment to allow Fernando Henrique's reelection is even farther from being decided, the PSDB will have very little room left in which to put up a good fight in the hustings.

That leaves it dependent, once again, on Fernando Henrique and the Real Plan connection.

Chile

Chile: Government Regrets Senate Rejection of Reforms

PY1604015896 Santiago EL MERCURIO in Spanish 12 Apr 96 pp A1, A20

[FBIS Translated Excerpt] Valparaiso — As was expected right from the beginning, the Senate today rejected the idea of debating in Congress the constitutional reforms submitted by the government eight months ago. These amendments seek to eliminate the designated senators and change the membership of the Constitutional Court and the National Security Council, among other things.

The government, together with its allies of the Coalition of Parties for Democracy [CPPD], has started to assess the possibility of submitting the bill to the Chamber of Deputies where, although it enjoys majority support, it needs the opposition's vote to obtain the necessary quorum.

The reforms, which required 28 and 31 votes, according to which chapter of the Constitution they refer to, obtained the vote of the 21 CPPD senators and the four reformist senators of the main opposition party, that is, National Renewal [RN] Senators Miguel Otero, Sergio Diez, Sebastian Pinera, and Ignacio Perez.

The seven RN "hard-liners" (Cooper, Lagos, Larre, Prat, Rios, Romero, and Siebert), the three UDI [Independent Democratic Union] senators, the two independent, the one UCCP [Progressive Center Center Union], and the eight designated senators voted against the reforms.

The amendments were voted on after two days of debate, during which those in favor or against reiterated arguments they have been upholding since 1990, when the Chilean Congress resumed its sessions after 17 years of military government, and when the first CPPD government pointed out the need to amend the Constitution in order to eliminate the designated senators, known as "authoritarian enclaves."

The adverse result, although expected, reactivates the strained atmosphere within the RN, in view of the fact that during the general council meeting to be held on 27 April the party will have to adopt important decisions regarding the RN's fate and the behavior of the seven "hard-liners" who rejected the reforms yesterday, contrary to what had been decided by the RN leadership and the agreement reached during the last general council meeting in Temuco.

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The government, although it expressed regret concerning the rejection of the reforms, stated that it obtained "a very clear victory," because it obtained the vote of 65 percent of the elected senators and only 13 negative votes, in view of the fact that the remaining eight negative votes were cast by the designated senators who, representing 19 percent of the Senate, are not elected.

The government announced that it will assess the situation with the CPPD member parties to decide when it will once again submit these same reforms, which it will persist in pursuing until it manages to modify and perfect the 1980 Constitution.

The government will wait until the effects of yesterday's voting and discussion fade away because it believes that the conflict within the rightist sector will evolve and a solution will be found in a few weeks' time.

The CPPD senators commented that an excellent opportunity has been lost to change Chile into the Latin American nation that best attunes the dynamism of its economy with a great legitimacy and support for its political institutions. They said that "the battle of the reforms has been lost temporarily in a Senate that does not express popular sovereignty."

In the UDI senators' opinion, the result was also "a victory" because — they said — "Chile has gained stability and opened the way to reorganize the center-rightist sector and become a true government alternative."

According to RN Chairman Andres Allamand, an exceptional opportunity has been lost to make significant and necessary improvements to the Constitution.

He said that the RN senators who voted against the reforms "did not act loyally" toward the party and failed to honor the agreement reached in Temuco.

The seven RN "hard-liner" senators, in turn, announced that their decision to reject the amendments by no means prevents the country in general and the legislators in particular from studying, "exhaustively, calmly, and prudently, and with minds focused on the future," the constitutional changes required. At the same time, they emphatically denied having been unloyal to the party.

Jose Joaquin Brunner, minister secretary general of government, said that after the reforms were rejected, it became quite clear that there are two spirits in the rightist sector: one that seeks constitutional agreements with the government, and another authoritarian spirit that is tied to the past, "trapped by its ghosts, a spirit that, during these past two days, has done nothing but talk about the country's history and its own fears for the democracy to which the majority of Chileans aspire." [passage omitted]

Chile: President Says Progress Depends on Reforms

PY1604021896 Santiago EL MERCURIO in Spanish 13 Apr 96 p C3

[FBIS Translated Excerpt] President Eudardo Frei said yesterday, after the Senate rejected debate of the constitutional reforms that were part of the government's proposal for concluding the transition period, that there is a group of people in the country who are afraid of democracy and prefer to live protected by institutions that restrict the people's sovereignty.

President Frei demanded from the minority that rejected the proposal recognition of the need "to open the way for institutional progress."

He added: "They cannot stop history and paralyze the great majority of Chileans who want to live in peace and work hard for the future of Chile."

Using strong terms, President Frei also said he has confidence in democracy, in Chile, and in its future. Therefore, he reiterated "his personal, political, and ethical commitment to the perfecting of the Constitution." [passage omitted]

President Frei made a strong call on the congressmen who voted against the constitutional reforms during the dedication of the new facilities of the Camilo Henriquez school in Conchali.

Frei reiterated that the country wants to make progress in the areas of education and helath, but also in improving democracy by reaching an agreement on what the Constitution should include.

He asked: "How will we make progress as a nation if we don't have the ability to discuss and agree on our Constitution, which runs the life of all Chileans and will probably be studied by these school children."

Frei recalled that he submitted the constitutional reforms under that perspective last year and that after an intensive eight-month debate, "we did not obtain the necessary votes in the Senate yesterday."

President Frei expressed regret that Chile does not yet have full democracy and that the reforms, despite the wide support among the people, were rejected.

He added: "This cannot happen in a mature democracy. It is not good for the country, it is not good for anyone, and the truth is there is no serious or objective reason to vote against the reforms, on which we agreed with the opposition."

He said that the government and the Coalition of Parties for Democracy showed all their flexibility for reaching

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an agreement on the reforms, which were also approved "by the great majority of the main opposition party."

Frei said: "Let us clearly say that there are people who are afraid of democracy and prefer to live protected by institutions that restrict the people's sovereignty. The country cannot continue to be trapped by the ghosts of the past, which are only of concern to a minority."

Frei insisted that the Constitution is the basis for political coexistence in the country and that this is why there must be a great agreement on this issue. It should not become the reason for permanent disputes between the past and the present, "between fear and hope." [passage omitted]

Colombia

Colombia: Samper Urges Extension of State of Disturbance

PA1604033596 Santa Fe de Bogota Radio Cadena Nacional in Spanish 0026 GMT 16 Apr 96

[Report by Luis Eduardo Maldonado from Narino Palace]

[FBIS Translated Text] Attention: President Ernesto Samper Pizano has just asked Congress to extend, for the second time, the state of internal disturbance. In his letter addressed to Senate President Julio Cesar Guerra Tulena, the president argued that the situation of the country is critical, taking into consideration the disruptions of public order.

One of the paragraphs of the letter states: It is evident that sudden and unexpected incidents continue to occur, seriously affecting the ordinary lives of the community and institutions. This demonstrates that criminal organizations maintain their determination to destabilize, intimidate authorities, and seriously undermine citizens' coexistence.

Colombia: Samper Says Crisis To Last 'Two More Months'

PA1504191896 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1700 GMT 15 Apr 96

[From the "Midday" newscast]

[FBIS Translated Text] Colombian President Ernesto Samper Pizano has said that the political crisis that is rocking the country will last about two more months. The president told Quito's HOY newspaper today that he hopes that the suit filed against him will be resolved within a year. I will turn over the presidential sash at 1510 on 7 August 1998, the president added. Samper, who is accused of using drug trafficking money in his electoral campaign, pointed out that at about the same time in 1997 the country will have achieved institutional stability and will continue the government program and political project it has followed so far. He explained that when he proposed a dignified solution, the Colombian people were confused. They have confused a dignified solution to the crisis with a dignified withdrawal of the president, Samper clarified. He recalled the suit in Colombia has involved the country's dignity, sovereignty, and survival. The president explained that he has talked about governability and added that once the judicial situation is settled, the country will need to enter a restabilization process. A consultation on advanced elections and the establishment of a government of national unity has been proposed in light of this, he said.

Samper denied he has blocked any chance for Vice President Humberto de la Calle Lombana to replace him as president: That is untrue, because Dr. De la Calle has the constitutional and personal qualities to become president; the thing is that my resigning has not been proposed.

Samper also commented on U.S. decertification. He described it as totally unjust and reproachable and assured: We are indignant, but we have handled it with great success.

Colombia: Kidnappers Demand OAS Chief, Samper Resign

PA1504190496 Madrid EFE in Spanish 1751 GMT 15 Apr 96

[FBIS Translated Text] Santa Fe de Bogota, 15 Apr (EFE) — The clandestine group that kidnapped Colombian businessman Juan Carlos Gaviria today demanded that OAS Secretary General Cesar Gaviria [Juan Carlos Gaviria's brother] and Colombian President Ernesto Samper resign. The demands are included in a message carried during this afternoon's televised "National Newscast" after it was issued by the Dignity for Colombia organization, which claims to be holding Gaviria. The message was accompanied by a photograph of Juan Carlos Gaviria.

Colombia: Antikidnapping Czar on Gaviria's Captors

PA1604033096 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 15 Apr 96

[Interview with "antikidnapping czar" Alberto Villamizar by unidentified reporter; place not given; live relay]

[FBIS Translated Text] [Reporter] We have contacted antikidnapping czar Alberto Villamizar for a live interview. Good afternoon Dr. Villamizar. What do you

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think of the unusual demands made by the so-called Movement for the Dignity of Colombia group?

[Villamizar] Good afternoon. Well, apparently the communique and the photograph are authentic. Therefore, the first action from the National Government and the family is to make a vehement and strong call to those who are holding Dr. Gaviria hostage to respect his life and give him the dignified treatment he deserves.

[Reporter] It has constantly been said that the Movement for the Dignity of Colombia is like a vapor that does not exist. Does this picture of hooded armed men prove that this group really exists?

[Villamizar] As I said before, the picture and communique seem to be authentic. Those who sent the communique and picture have confirmed that he is being held by them. Hence, we have demanded respect for his life.

[Reporter] What will be the next steps now that this document and picture, which are important proofs, have been received?

[Villamizar] We will study the document and structure a policy to face the situation.

[Reporter] We thank antikidnapping czar Villamizar for this interview. We asked him his opinion about the picture sent to the "National Newscast," showing Juan Carlos Gaviria, brother of former President Cesar Gaviria, in captivity.

Colombia: Guerrillas Kidnap Legislative Chairman

PA1504192996 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1700 GMT 15 Apr 96

[From the "Midday" newscast]

[FBIS Translated Text] Cauca Governor Rodrigo Teran, military commanders, the police, and representatives from the Administrative Department of Security are meeting in Popayan, following the ELN's [National Liberation Army] kidnapping of Jose Maya Garcia, chairman of the Chamber of Representatives Peace Commission. A group of armed men from the outlawed ELN's Manuel Vasquez Castano Front abducted Maya Garcia during his visit to southern Cauca Department. The subversives intercepted him in San Lorenzo corregimiento, Bolivar Municipality. His whereabouts are unknown. Two associates who were with him at the time of the kidnapping were released and have briefed the authorities on the incident.

Colombia: 3 Persons Attack Police School in Capital

PA1604001596 Santa Fe de Bogota Radio Cadena Nacional in Spanish 2330 GMT 15 Apr 96

[From the "Latest News" newscast]

[FBIS Translated Text] The most important news in Colombia at this time comes to us from Santa Fe de Bogota, more specifically from the Center of Higher Learning of the National Police in Suba, the former Riflemen's School [Escuela de Carabineros] of that same institution in the Colombian capital.

According to a report given to us by the authorities, two men and a woman launched three rockets, which fell in various areas of the installations of the Center of Higher Learning of the National Police. The information we have at this point is that no one was killed or injured, but there is panic among the population, especially the civilian population living near the area.

General Luis Ernesto Gilibert Vargas, commander of the Metropolitan Police in Santa Fe de Bogota, has already been informed and is currently on his way from downtown Santa Fe de Bogota to the area of Suba. The general has been slow in getting there because of the usual rush hour traffic in the Colombian capital.

No one was killed or injured, but this is another attack, apparently by guerrillas. Two men and a woman were seen by neighbors when they were launching three rockets that fell inside the installations of the former Riflemen's School in Santa Fe de Bogota.

Colombia: Drug Capo Leader Granted Hospital Arrest Benefit

PA1604033996 Santa Fe de Bogota Radio Cadena Nacional in Spanish 0026 GMT 16 Apr 96

[Report by Asdrubal Garcia]

[FBIS Translated Text] [Station announcer] At this hour, we have an important news bulletin. Asdrubal Garcia has the report:

[Garcia] The Prosecutor General's Office today granted Roberto Escobar Gaviria, currently imprisoned in the Itagui Jail, the privilege of hospital arrest. Escobar Gaviria is being tried on drug-trafficking and terrorism charges.

[Station announcer] To what hospital will he be taken?

[Garcia] It has not been determined to what clinic in the capital of Antioquia Department he will be taken, but in the next few hours he will be taken to a hospital.

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Colombia: Budget Cuts Announced; Defense Untouched

PA1504184096 Santa Fe de Bogota EL ESPECTADOR in Spanish 10 Apr 96 p 1B

[Report by Rocio Cuellar Rocha]

[FBIS Translated Text] The Defense Ministry was not even touched in the budget cut.

This office came out unscathed from the fight waged by government organizations to defend their budgets.

Not even the Presidency of the Republic, which must do without 1.346 billion pesos, escaped the 1996 budget cut.

The government's decision to cut investment programs by more than 300 billion pesos has affected more than 160 government organizations.

The decision had different effects for those who were defeated and those who were spared.

For example, the budget of the National Development Projects Fund (Fonade), which is in charge of pre-investment projects, was reduced by more than 20 percent.

The government took precautions and cut only 3 percent from the Solidarity Network investments program. Solidarity Network is the Samper administration's leading program.

Most sectors received cuts in the 8-percent range, including almost all ministries.

And, following the adage that one should set the example, the Finance Ministry itself received an 8.37-percent cut.

EL ESPECTADOR has learned that the budget cut will be endorsed at the next Council of Ministers meeting.

THE BUDGET CUT

In the social sectors, in pesos

			(average)
	1996 Appropriation	Cut by	Percent Cut
Education	8.5596 trillion	650.5 billion	7.6
Health	402 billion	28.9 billion	7.2
Justice	1.8389 trillion	145.2 billion	7.9

The organizations that received the largest cuts, in pesos

Organization	Appropriation	Cut by	Percent Cut
Cornare [expansion unknown]	129,949,000	27,302,000	21.01
Fonade	8,226,747,000	1,637,285,000	20.34
Fondas [expansion unknown]	556,923,000	111,975,000	20.11
Corponor [expansion unknown]	905,060,000	118,790,000	12.90

The organizations that received the smallest cuts, in pesos

Organization	Appropriation	Cut by	Percent Cut
Solidarity Network	77,058,500,000	2,311,695,000	3.00
Indian Affairs Gen. Directorate	790,000,000	21,693,000	2.75
Labor Ministry	65,216,866,000	1,304,337,000	2.00
Defense Ministry	17,090,891,000	0	0.00

Other organizations, such as the Indian Affairs Unit, Capresalud-Health, and the Bonus Commission did not suffer any cuts in their budget.

Source: DNP [National Department of Planning]-UIP [expansion unkown]-DPC [expansion unknown]

Colombia: U.S. Decertification Said To Prove 'Faux Pas'

PA1504173296 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 15 Apr 96

[Station commentary]

[FBIS Translated Text] The U.S. decertification of Colombia seems to have cost the United States more than the country that it wanted to punish. The world is beginning to react: The OAS and the EU have issued statements protesting this measure, one that the United States has taken before without protest. The international community this time has determined not only that it is a silly measure but also that it is coming from a bad source, namely Burton and Helms and right-wing extremist senators in the U.S. Congress who have created other international problems. This diplomatic faux pas comes at a particularly bad time for the U.S. President, especially with this being an election year.

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Colombia: Army Head Denies Alliance With Paramilitaries

PA1504153596 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 12 Apr 96

[From the "National Newscast"; monitored from retransmission by Lima Sistema Unido de Retransmision Television at 0000 GMT 13 April]

[FBIS Translated Text] Army Commander General Harold Bedoya has categorically denied a report from Pax Christ, of the Netherlands, on a visit to Uraba. He said that there is no alliance with the paramilitaries:

[Begin recording] [Bedoya] That is a big lie.

[Correspondent] Why?

[Bedoya] I am Army commander; I issue the orders; I know no one is helping criminals. Massacres do not occur every eight days, 15 days, or every month. Massacres are very sporadic. We are not to blame; the National Army is fulfilling its duties. Uraba is the best Colombia has to offer. Problems there pertain to Colombians and not to international organizations. [end recording]

Colombia: Army Head Sees 'European Interests' in Uraba

PA1504164696 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1715 GMT 13 Apr 96

[Report by Esperanza Rico; from the "Midday Newscast"]

[FBIS Translated Text] An argument has ensued over statements by Army Commander General Harold Bedoya that there are European interests in Uraba's banana region. Here is Esperanza Rico:

[Begin recording] [Rico] Gen. Harold Bedoya a few hours ago denounced unusual European interests to take Uraba. He warned the country that if the Uraba problem is not solved — Uraba is one of the world's richest regions — Colombia will lose it the same way it lost the Panama Canal to the United States, many years ago. [sentence as heard]

Dr. Octavio Fabio Valencia Cossio [president of the National Conservative Party Directorate and senator for Antioquia Department], what is your position regarding this? What is your opinion on what Gen. Harold Bedoya has denounced?

[Valencia] Gen. Bedoya's assertion seems very serious to me. I feel that he has the obligation to clarify to the people what these European interests are. This is very serious. I believe that the general must explain this to the Colombians. If this is the case, we should summon him to appear before the National Congress so that he can explain what these European interests are, which are also intended to take Uraba. I agree that Uraba requires special, priority attention. It is a breeding ground for the violence that afflicts the country. Uraba has been a traditionally neglected region as far as social development is concerned, and I believe that the national government needs to give it priority attention.

We have opposed the Antioquia governor's proposal to bring in foreign troops — UN blue helmets — to handle public order in Uraba. We also agree with Gen. Bedoya on this point. It is the Colombian Army and the National Police that must guarantee, as institutional authorities, the lives, honor, and properties of Colombians, especially those in Uraba.

[Rico] This was the position of Antioquia Conservative Senator Fabio Valencia Cossio who says that Gen. Harold Bedoya must explain to the country the unusual interest in Uraba of the Europeans, who seek to take control of that region. [end recording]

Colombia: Church, Army, Private Sectors Against Samper

PA1604020096 Santa Fe de Bogota CAMBIO16 COLOMBIA in Spanish 15 Apr 96 pp 14, 15

[Unattributed article: "Samper's Forced Removal Is Being Cooked Up"; passages within slantlines published in italics]

[FBIS Translated Text] Everything was ready on Easter Sunday at Bolivar Square. Joined together in the same stage in front of more than 50,000 people were two vocations: theater and religion. The end of the calvary that Colombia walked from Uraba to Santa Fe de Bogota coincided with the closing of the 5th Theater Festival. The choreography was perfect. A red carpet was covering Bolivar Square; the Colombian Symphonic Orchestra was playing; and performers Vicky Hernandez, Julio Medina, Margarita Castro, and Helios Fernandez, were reciting biblical passages.

It was Monsignor Pedro Rubiano's turn. Ramiro Osorio, who was one of the organizers of the Theater Festival, had coached Msgr. Rubiano to defy the professional performers with the power of his voice and the clarity of his diction. And he did it. At Bolivar Square itself, which is the symbol of the national political power, Rubiano rejected the "drug trafficking that leaves nothing but death and corruption" and, at the top of his lungs, made a call to "rebuild Colombia."

At the same time, it was the resurrection of the withered Colombian Church, as one of those present commented under Msgr. Rubiano's direction and the support of the

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Catholic parishes' priests. He became the protagonist of the country's crisis. During Easter, not only priests and practicing Catholics talked about resurrection. There were many references to the feat, no longer of Christ's but of the country's, in various beaches and resorts. From biblical references, we went to the slogan: "For the Reconstruction of Colombia," which now bring together tens of people linked to the private sector.

At 84, Hernan Echavarria Olozaga, who is a businessman from Antioquia who has been living in the capital for many years, and who is one of the main owners of the Corona Group, does not waste a single second. He uses them all to talk over the telephone, use the fax machine, and speak at numerous forums, and meetings he has promoted from his home, which he barely leaves.

What is spoken there, behind a brick wall and in the middle of an unlikely forest nested in mid city, is rarely made public. However, everything becomes essential to resolve the crisis. From these restricted circles, in which parties, religions, genders, and occupations, civilians, military officers, or former military officers, businessmen and intellectuals are mixed, we have gone to larger meetings at precincts ranging from churches, such as the Santa Clara Church in northern Santa Fe de Bogota, to auditoriums sponsored by businessmen.

The Wednesday, 10 April meeting, which was held at a private auditorium located near 72d Street in Santa Fe de Bogota, was a definitive meeting for the kick off of the "For the Reconstruction of Colombia" movement. Echavarria, along with Enrique Parejo, Francisco Posada de la Pena, and Enrique Gomez Hurtado, presided the meeting. Approximately 100 representatives of the Colombian private sector attended; the creation of departmental committees will be their task.

Easter had started with a communique defending Prosecutor General Alfonso Valdivieso from the attacks of Attorney General Orlando Vasquez, attacks that were referred as a "twisted maneuver in which all elements addicted to the government, starting with (Luis Guillermo Nieto Roa), the president's lawyer, participate." The initiative to send a letter to Vice President Humberto de la Calle asking him to return to the country to "fulfill the responsibilities the Constitution stipulates for him" came later.

However, Echavarria, who was public works minister during the government of Alfonso Lopez Pumarejo, has not only put his convictions and tenacity to the service of the cause. The engines of his plane, an executive *jet* with capacity for a dozen passengers, constitute a definite drive to make the meetings more national and to mobilize the groups' leaders to various cities, as if it were any political campaign.

The tone has started being radicalized in such a manner that, among the mechanisms to *hit* the government, such alternatives as suspending tax payments, and supporting the notion of a national production strike were discussed.

According to those who attended the meetings, "people, aside from being desperate because the crisis has reached everyone's pocket, complain because businesses abroad are seriously affected, and several excursions abroad had been turned back. Colombians have began to be treated as outcasts." If that were not enough, and to show the seriousness of the crisis, Enrique Parejo did not hesitate to point out that "the government's weakness has led it to commit crimes of state, such as the one involving the *blond femme fatale* [Monita retrechera — reference to the late Elizabeth de Sarria]."

The businessmen's movement is not far removed from that of the church or certain sectors of the Armed Forces. The men in uniform have been welcome in many of the businessmen's private meetings, and it is clear that the shakeup caused by narcopolitics has introduced public debate into the Army's ranks.

The military, like the priests, without confusing their obligation to defend the presidential institution, have decided to express their opinion on the country's problems, and have again began to exchange ideas with journalists, politicians, and leaders of various sectors more in private than in public.

The Military Club has stopped being exclusively for the men in uniform and receives civilians' ideas and guests. Differences are no longer a sacrilege among troops. And these exist. Army Commander General Harold Bedoya, who was trained together with Generals Alvaro Valencia Tovar and Fernando Landazabal Reyes, has taken a clear and unmistaken stance in the struggle against corruption and on any penetration by narcotraffickers to the various levels of society. Those who know him may dare say that he is inflexible about his principles and his beliefs, and although obedient, he does not always mask his disagreement.

Samper's government knows that Gen. Bedoya's independence is hard to swallow. That is why there are rumors that Samper intends to promote him so that he may lose direct control over his battalions, and thus neutralize his unquestionable leadership over the troops.

In the face of possible retirement of Interior Minister Horacio Serpa due to Case 8,000, the government's ploy would be to appoint current Defense Minister Juan Carlos Esguerra to the post, replace him with Admiral Holdan Delgado, and promote Bedoya to the Armed Forces' general command. This would allow

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Gen. Jesus Vergara, second in command in the Army and who is completely identified with the president, to take Bedoya's post: command of the troops.

The winds of independence at various military levels have reached the Colombian Association of Retired Officers, ACORE. At the last board of directors election, three colonels, Luis Alfonso Rincon, Gustavo Garcia, and Guillermo Rodriguez, pushed out generals who for decades acted in solidarity with the government in power at the time. ACORE's monthly publication shows their hardened stance against corruption and the deterioration of institutions, that can lead them to request a tough hand, such as Gen. Bedoya did over *RCN* [Radio Cadena Nacional].

Priests, officers, and businessmen have decided to reflect together. What was once a rumor has began to pick-up strength, which together with the institutional solution to the crisis, could precipitate unexpected developments to the plot: for example, a visit to the president by the church hierarchy, private business, and the Army, to request that he simply withdraw to let Vice President De la Calle to step up. And the president could reply that he will do so, but when the Chamber of Representatives tries and acquits him.

Perhaps this is why Msgr. Rubiano said: "We need not fear the fall, because then comes the resurrection."

Colombia: Former Samper Aide's Ties to Montoya Viewed

96SM0232A Santa Fe de Bogota SEMANA in Spanish 9 Apr 96

[Received via Internet]

[FBIS Translated Text] Two months after the murder of Elizabeth Montoya de Sarria, the famous "Monita retrechera" [charming blonde] who became known nationally and internationally last August, through a cassette recording her conversation with Ernesto Samper Pizano, the various state investigative agencies, which initially had many disagreements regarding the crime, seem to have finally concurred on one aspect of the investigation. It is that Colonel German Osorio Sepulveda, who for some time served as police aide-de-camp of the the Presidency of the Republic, could become the key man for solving the murder.

Government investigative agencies, in cooperation with the Prosecutor General's Office, have detected many cellular phone contacts, including some personal ones, made by Colonel Osorio with Elizabeth Montoya, her husband, Jesus Amado Sarria Agredo, and their bodyguards, Jorge Enrique Jaimes and Dario Quiroz Cuellar (both of whom died at the same time as "Monita"). Furthermore, according to two testimonies obtained by the investigators, he made contact with at least one of the persons now formally linked to the proceedings opened after the murder. In addition, at least one testimony, contained in the preliminary inquests, indicates that, a few days before the crime, Osorio was persistently inquiring about Elizabeth Montoya among persons familiar with her who might have known her whereabouts.

Osorio, who, at the end of last year, was appointed by the Ministry of Foreign Affairs as assistant police attache at the Colombian Embassy assigned to the Government of Italy, and who is now in Rome, will soon be summoned to make a statement, explaining the reason for those contacts to the judicial authorities. SEMANA was assured by a source from the investigation that, "It is inevitable that the Prosecutor General's Office will summon him to appear, initially as a witness, because no one understands what an aide-de-camp from Narino House was doing, talking so constantly with Elizabeth and her husband five months after the appearance of the cassette. That was when a very intensive investigation was weighing on the Sarrias for drug trafficking and illicit enrichment, which ended with the order for Sarria's capture." According to the sources, Colonel Osorio will have to explain why he went around inquiring so persistently about " la Monita" a few weeks before the crime, and whether he actually had any relationship with one of the persons linked with the investigations of the murder.

The investigators queried by SEMANA have explained that Osorio's testimony is very important for proving, among other things, whether it is true that, as indicated in the course of the investigation, during the weeks preceding her death Elizabeth Montoya expressed her desire to cooperate with the justice system, giving information on her relationship with Ernesto Samper's presidential campaign. According to the investigations pertaining to case 8000, she contributed over 300 million pesos to that campaign. By the end of 1995, the police official had already made a statement in the Prosecutor General's Office, where he was interrogated concerning his service as Samper's aide-de-camp at the time of the presidential campaign.

Colonel Osorio, aged 39 and a native of Manizales, worked with Ernesto Samper on several occasions during the past six years. He was the latter's aide-de-camp when he was still a major in the police and Samper was campaigning as a precandidate for the Liberal Party election of 1990. He later accompanied Samper during his year and a half tenure in the Ministry of Development, working with him again during the campaign in which Samper was elected to the presidency in 1994. After the new government took

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office, Osorio became police aide-de-camp at Narino House, a position in which he served officially until January of last year, when he was called to take the advanced studies course, for promotion to the rank of lieutenant colonel.

In order to complete those studies, Osorio was assigned on commission to the General Santander School in Bogota during 1995. Nevertheless, Osorio did not break his ties with the presidential headquarters, which he was constantly visiting. For many months, the official even used a cellular phone acquired by the presidency and assigned to him in May 1995, from which he maintained his contacts with the Sarrias and their circle. A high-ranking government source told SEMANA, in this connection, that, "Anything that Osorio did with that cellular phone, especially if he communicated with persons outside the law, is his problem, and he will surely have to give explanations of it not only to the justice system, but also to the government."

Cellular Phones, the Key

The authorities have spent several weeks consolidating a series of testimonies to the effect that, at the end of last year, Osorio had maintained contacts with at least one of the persons formally linked with the investigations. The nature of those contacts and the identity of the witnesses are being kept confidential for the present, because the sources who have talked with SEMANA consider it essential to preserve the progress of the investigations. Another witness whom the experts regard as very important told officials from a government intelligence agency that, weeks before the crime against Elizabeth Montoya, Osorio had been inquiring very persistently about "la Monita's" whereabouts, which the witness presumably should have known. Everything indicates that, for at least three weeks, between the last week of December and and the third of January, Osorio lost all contact with Elizabeth Montoya and her security chiefs.

But perhaps one piece of evidence that enabled the investigators to draw the map of the crime rapidly and to begin formulating potential hypotheses regarding the intellectual perpetrators of Elizabeth Montoya's murder was the cellular phone. For this reason, a few days after the crime, the investigators dispatched a small army of men, who were installed in the cellular telephone companies of Bogota and other cities in the country, to unravel the mystery. And, from what SEMANA learned, nothing went wrong for them.

For example, it is now known that, between 31 January and 1 February, the day on which the crime occurred, 40 exchanges of calls were made between the cellular phones of two men who have now been identified as members of the group that committed the murder. They are Guillermo Perez Monsalve, who escaped to the U.S. and for whom there is now an arrest warrant, and Mauricio Rico Arcila, who was arrested two weeks ago by the Prosecutor General's Office. Based on the records of the calls, the investigators also determined that one of the vehicles used on the day of the crime, a Mazda car, in which Perez and Rico reportedly arrived at the building where "la Monita" was located, belongs to the family of one of these individuals.

As for Osorio, what the investigators have discovered about the cellular phone that he was using is even more extensive. According to the probes, between 17 November 1995 and 26 January, the official made contact by cellular phone on 22 occasions with the numbers of Elizabeth Montoya, Jesus Sarria, and their bodyguards, Quiroz and Jaimes. SEMANA learned that the cellular phone from which these calls were placed or received, number 3324710, had been activated on 24 May 1995, and was originally assigned to Maria Eugenia Vergara, chief of the Administrative and Financial Area of the Presidency of the Republic. Nevertheless, although Colonel Osorio was no longer officially working at Narino House, because he was pursuing his course for promotion, the investigators consider it fully demonstrated that the colonel was the real user of the telephone set.

Thus, the investigations at the cellular telephone companies proved the following: six calls to Osorio's cellular phone came from telephone number 2169288, which belonged to Jesus Sarria. According to the records, these calls were made on 17 November, 5 December, 7 December (on three occasions during the day), and 11 December: in other words, two days before Jesus Sarria was captured by agents from the Administrative Department of Security (DAS) at the order of the Prosecutor General's Office. It was likewise proven that, on 14 December, a day after Sarria's capture, a call to Osorio was made from cellular phone number 2137796, assigned to Gloria Cecilia Brugnoni. The latter is the wife of Herman Dario Quiroz, one of the Sarrias' security chiefs killed on the same day that Elizabeth Montoya died.

The investigators further determined that Elizabeth Montoya and her other security chief, Jorge Enrique Jaimes, alias "Jimmy Jaimes," also killed on the day of "la Monita's" death, were using cellular phone number 2195740 jointly. Five calls were made from this subscriber's number to Osorio, on 14, 23, 24, 26, and 29 December. "La Monita" also had her own cellular phone, with number 3314964, from which calls were made to Osorio on 12 and 15 December.

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But the one who made the largest number of contacts with Osorio was "Jimmy Jaimes," who was the holder of cellular phone number 2195739. According to the records, this man, whose corpse appeared with traces of cruel torture a day after the crime involving "la Monita," contacted Osorio's cellular phone on 10 occasions: 14 December, 18 December, and 20 December, on two occasions; 21 December, on two occasions; and 22 December. At this point, the communication between the two men was cut off, but it resumed three weeks later, on 21 January, when "Jimmy Jaimes" sought out the official again, calling him twice on that day. The last time that one of the Sarrias' security chiefs contacted Osorio was on 26 January, six days before the murders of Elizabeth Montoya and her two bodyguards.

What Were They Discussing?

The interesting part of the calls between Osorio and the Sarrias and their trusted associates is that many of them coincide with the week when Jesus Sarria was captured. On 11 December, the Prosecutor General's Office issued the order for his capture to the various security agencies. The next day, Tuesday, 12 December, a call was made from Elizabeth Montoya's cellular phone to that of Osorio. On the following day, Wednesday, 13 December, Sarria was captured by DAS agents. On Thursday and Friday, 14 and 15 December, two calls were made to Osorio's cellular phone: one from Elizabeth Montoya's phone and another from one of her bodyguards. According to the investigators, it is critical that Osorio make a statement, to report what he said to "la Monita" during those hours when her husband was captured. SEMANA was told by a source from the investigation: "There have been many reports to the effect that the Sarrias had been threatening Osorio, and through him, the government. And that is what we are going to find out."

In fact, there are several accounts claiming that Elizabeth Montoya had expressed to friends and attorneys her intention of cooperating with the investigations of what happened in the presidential campaign. These reports appear to be confirmed by certain documents demonstrating that, during the third week of November, Sarria's wife devoted herself to requesting from various banks in which she had personal accounts, or those of her family businesses, copies of the checks that she had drawn from mid-1989 onward. The investigators are working on another hypothesis, based on some testimony claiming that "Monita" had managed to compile a large amount of documentation, reportedly including deeds and bonds, and had given them to her bodyguard, Quiroz, for safekeeping. One of the investigators told SEMANA: "This would explain the brutal torture to which this man was subjected before they fired a dozen bullets into him on the same day that they killed Mrs. Sarria."

Road to Rome

Osorio's contacts with the Sarrias coincided with the government's decision to send the official to assume a post abroad. According to Foreign Ministry sources, the documentation process between the Defense and Foreign Ministries began a few day's after Osorio's promotion in mid-December, when Narino House made official its desire to appoint him assistant police attache at the embassy in Italy. According to police sources close to Osorio, at first he did not seem very interested in going, but began intensifying the arrangements for his departure during the third week of January. One police official who saw Osorio during those days recalled: "We began observing him in a rush, coming often to ask about his documents and the paper work for his travel allowance." Finally, on 24 January, Foreign Minister Rodrigo Pardo signed the respective resolution, and Osorio took his plane bound for Rome on Sunday, 4 February, three days after the murder of Elizabeth Montoya.

However, Osorio's installation in Rome as a diplomatic official representing Colombia appears to have been thwarted. As SEMANA was able to learn from Foreign Ministry sources in Bogota, the Italian Government has sent all the signals generally used in such cases to let it be known that it does not approve of the position to which Osorio was appointed at the embassy in Rome. The fact is that, to date, and three months after the post was created, the Italian Government, which must give its approval for it, has not done so.

For the preceding reasons, it is quite possible that the colonel will have to return to Colombia very soon, because, aside from the problems with his diplomatic appointment, it is taken for granted that he will be called upon by the Prosecutor General's Office to make a statement in the proceedings concerning "la Monita's" murder. For three days (between Tuesday and Thursday of Holy Week), SEMANA attempted to locate the official in Rome, but it was impossible. At the embassy headquarters, where he is on duty temporarily, the magazine's reporters left several inquiries, which were not answered. Nor was it possible to find him at the telephone numbers that the official left on record at the National Police international affairs office in Bogota, which are tentatively assigned to his residence in Rome. However, within the next few days Colonel Osorio will surely make a statement about this entire matter and, once his statement to the Prosecutor General's Office has been officially recorded, the investigators expect that

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some of the many mysteries surrounding the murder of "Monita" will begin to be solved.

Colombia: EU's Marin on Drugs, Tariffs, Human Rights

PA1604030196 Santa Fe de Bogota EL TIEMPO in Spanish 15 Apr 96

[Interview with European Union Vice President Manuel Marin with an unidentified EL TIEMPO reporter in Santa Fe de Bogota; date not given; first nine paragraphs are EL TIEMPO introduction — received via Internet]

[FBIS Translated Text] While in Bogota on his way to Cochabamba, Bolivia, EU Vice President Manuel Marin announced that on 23 April, tariff preferences for Colombia and Andean countries will be extended.

Marin will attend the Rio Group foreign ministers summit that will basically seek to strengthen the commercial relations of the Latin American countries' with the EU.

In an interview with EL TIEMPO, the EU vice president expressed a strong objection to the U.S. decertification of Colombia over the war on drugs and said this problem is not resolved by blaming the producer countries.

"Our stance on matters of human rights, foreign policy, and cooperation is that we are more interested in the carrot than the stick," added Marin, who on Saturday met with President Ernesto Samper Pizano and several of his ministers.

He referred to the U.S. decertification, something, he added, that "Europe does not agree with or implement." "He scolded" Colombians for wasting time [mirandose el ombligo], believing that their international policy is limited to the United States.

He stayed in Bogota a few hours on his way to Cochabamba, where the Rio Group foreign ministers have been meeting since yesterday. Taking a recess from his busy schedule he granted an interview to this newspaper. The interview revealed the enormous difference between the United States and EU in handling the main problems of Latin American, including drug trafficking.

Spaniard Marin is the vice president of the EU, which groups 15 countries of the old continent in a monumental effort of political and economic integration.

Marin said he is not prone to give advise or meddle in internal affairs but added that he is observing with concern the marked Colombian trend to have a "siege" mentality, and to believe that its international policy stops with the decisions the United States adopts.

The radical difference between Europe and the United States is seen in one fact: whereas U.S. Ambassador Myles Frechette is talking that new "blows" may come on tariff matters, Manuel Marin announced that on 23 April, the EU will make official its decision to prolong the tariff preferences for Colombia, and the rest of the Andean countries.

[EL TIEMPO] What do you think is the future of Latin American integration with the EU?

[Marin] I must begin by explaining the strategy the EU has been implementing for the past two years approximately.

Our relations on the political area have been growing stronger fundamentally through the Rio Group meetings with the EU. We regard the Rio Group as a forum of a political nature where the European and Latin American problems can be broached. But it was not really the instrument that could allow us to advance on more specific matters, especially of an economic or commercial nature.

For that reason, two years ago we launched a strategy to foster subregional integrations in the Latin American continent. The model of regional accord between Mercosur [Common Market of the South] and EU stems from that. The negotiations with Chile and Mexico stem from that. Later, in Florence (Italy), we signed the new cooperation agreement with the Central American republics. One element remains to be defined, namely, the future of the relations between the Andean Pact and the EU.

[EL TIEMPO] In Colombia, people insist that the country is doomed regarding international relations in the wake of the U.S. decertification? How do you feel about that?

[Marin] It is not my intention to give lessons to Colombia. I would seem to me that Colombia would be making a capital mistake if it developed a siege mentality, and thought that the situation in Colombia stops on account of the decisions the U.S may adopt. That is not true.

Latin America as a whole and Colombia with its internal problems have to envision their future, not just thinking of their vertical relations with the United States, because other political entities exist that have another vision of their problems, including drug trafficking, and are providing solutions that differ from what is strictly the policy of decertification, something the EU does not agree with and does not practice and will not practice either.

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A focal point of the relations with the United States is the war on drug trafficking. In Europe, however, the problem appears to be human rights...

Let us look at the problem of drug trafficking. Drugs are a matter of shared responsibility. The countries that produce it have one responsibility and those that consume it have another. This problem, however, has to be solved by taking that dual responsibility. To try to resolve the problem by blaming producers alone will resolve nothing.

In the topic of human rights it is necessary to share common values: freedom, dignity, the right to live, eradication of violence, and tolerance. Nobody can refuse to hold that kind of political dialogue. The question, again, the same as with the decertification, is what kind of instrument can be used to punish a country that has not made sufficient efforts on human rights, or on the contrary, to maintain a policy of making demands while at the same time offering initiative.

Our stance on human rights, as on foreign policy and cooperation, is that we are more interested in the carrot that in the stick.

[EL TIEMPO] Does the problem of drug trafficking merit to be handled by an international court because it is a worldwide problem?

[Marin] I am skeptical that this kind of problem can be resolved by creating courts. There is a problem that the producer countries that suffer from it have to resolve. It is that drug trafficking has intelligently penetrated civilian society. That problem, however, must be resolved from inside and internal catharsis has to be produced. It is an action where it is useless that someone from outside should try to resolve this internal problem.

Now, to fight organized crime, something called cooperation exists, and it is translated into judicial cooperation, exchange of information, and implementation of mechanisms that in no case can turn into a kind of mirage about a great public tribune. We are concerned about terrorism in Europe. We do not seek through big international conferences to resolve matters that need to be handled through levels of intelligence and cooperation.

[EL TIEMPO] Can cooperation exist with a power that takes upon itself the right to be the world policeman?

[Marin] The world cannot limit itself to what happens in the U.S. Congress. I have the impression that you are gradually developing a very high siege mentality. It would be a mistake for Colombians to spend 24 hours wasting time. I mean wasting the country's time.

Ecuador

Ecuador: President Views Alleged Peruvian Arms Purchase

PY1604033496 Quito Voz de Los Andes in Spanish 2300 GMT 15 Apr 96

[FBIS Translated Text] General Jorge Ortega, chief of the Ecuadoran Armed Forces Joint Command, said that if reports on the purchase of weapons and aircraft by Peru are true, it would be a matter of concern not only for Ecuador but for the entire region because it would represent a military imbalance and, consequently, would lead to an arms race.

Gen. Ortega maintains that if one country acquires a larger quantity of war materiel, it is practically forcing the remaining countries to purchase more weapons as well.

In Ecuador's case, he said, we are specifically tied to the domestic economic capacity and cannot afford to engage in an arms race. He noted, however, that we will learn whether or not these reports are true on 22 and 23 April, when the Arms Purchasing Committee meets in Quito with representatives of Ecuador and Peru.

He recalled that during this first meeting the agenda and mechanisms will be established, and that during subsequent meetings the representatives will assess the weapons purchase process.

As for the Peruvian threat to down MOMEP [Ecuador-Peru Military Observers Mission] helicopters if they overfly Peruvian detachments, Gen. Ortega said that so far there is no official MOMEP reaction.

Ecuadoran Foreign Minister Galo Leoro Franco said he was concerned about the possible Peruvian purchase of 44 aircraft, and noted that this action would be contrary to the economic and social development objectives of the two countries because it could represent the beginning of a disastrous arms race.

Galo Leoro said that the Ecuadoran Foreign Ministry has sent notes to the guarantor countries expressing Ecuador's great concern over the possibility of this really happening.

Leoro said that Ecuador hopes this will not happen and that actions that may harm the development of the two nations will be rectified because they would go against the Itamaraty [Brazilian Foreign Ministry headquarters] peace process.

Leoro added that the purchase of 32 Russian-made Sukhoi aircraft and 12 Czech-made Zlin aircraft has not materialized yet but could take place at any time.

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Foreign Minister Leoro also reiterated Ecuador's claim to a sovereign outlet to the Amazonas River and said that the future new government will maintain the line followed by the current administration in its peace talks with Peru.

Leoro is currently in Cochabamba, Bolivia, where he is participating in the Sixth Institutionalized Meeting of Foreign Ministers of the Rio Group and the EU.

The future new Ecuadoran administration resulting from the presidential elections will not hinder the development of the pacification process with Peru because this process represents a national purpose and not that of an administration, according to Leoro Franco, who insisted that Ecuador's main aspiration is to obtain a sovereign outlet to the Amazon.

He added that Ecuador is willing to make unrestricted progress in the pacification process with Peru using dialogue as the only means to reach an agreement over a border dispute.

Leoro and his Peruvian counterpart, Francisco Tudela, held a meeting behind closed doors on 14 April in Cochabamba, taking advantage of the meeting between representatives of the Rio Group and the EU.

The Ecuadoran foreign minister said that this type of meeting between representatives of Peruvian and Ecuador diplomacy should make it possible to continue to avoid problems, on the one hand, and, on the other hand, more than anything, to define aspects that will allow the assessment of the entire problem and seek a definitive and fair solution to the territorial problem.

Paraguay

Paraguay: President on Drug Enforcement, Military Role

PY1604012596 Asuncion ULTIMA HORA in Spanish 13 Apr 96 p 80

[Report by special correspondents Roberto Fleitas and Jose Moreno in Pedro Juan Caballero]

[FBIS Translated Excerpt] According to Amambay Governor Juan Carlos Araujo, President Juan Carlos Wasmosy allegedly confided to him that — to a certain extent — his hands were tied with regard to properly enhancing the struggle against crime, especially drug trafficking.

According to Araujo, the president told him that there is a shortage of experts available in the forces of order, and that this represents a "basic factor that prevents a more effective struggle against drug trafficking, especially in border areas."

During the dedication ceremony of a Conavi [National Housing Council] housing project, the Amambay governor had solicited greater and more effective support from Wasmosy for repressing the gangs of drug traffickers, robbers, illegal car traffickers, and thugs thriving in this conflictive area.

In response to the Amambay governor's solicitation, Wasmosy indicated that, through the enhancement of the professional level of the Armed Forces, drug enforcement would be more effective. [passage omitted]

Paraguay: Wasmosy Says Nation 'Overwhelmed' by Demands

PY1204164896 Asuncion ABC COLOR in Spanish 1 Apr 96 pp 2-3

[FBIS Translated Excerpt] Paraguayan President Juan Carlos Wasmosy has acknowledged to the main national political leaders that his administration is overwhelmed and unable to respond to "so many complicated and simultaneous" socioeconomic demands. He warned that these demands are being manipulated by some "impatient and irrational" leaders who, in so doing, dangerously and irresponsibly jeopardize the stability of the democratic system.

Wasmosy acknowledged this fact to political leaders [Authentic Radical Liberal Party President Domingo] Laino, [Christian Democratic Party Leader Miguel Angel] Montaner, [Febrerista Revolutionary Party Leader Victor] Sanchez Villagra, [National Encounter Alliance President Guillermo] Caballero Vargas, and [National Republican Association - Colorado Party President Eugenio] Sanabria Cantero. Wasmosy said that "so many, complicated and simultaneous social demands manipulated by some impatient and irrational leaders, who are constantly harassing the entire political system, have overwhelmed the administration to such an extent that it is unable to respond to these demands. In so doing, these leaders are dangerously and irresponsibly undermining the democratic system and endorsing those who allege that democracy is unable to effectively answer the just claims of less privileged classes."

Wasmosy said he is aware that yesterday's oppressed and forgotten classes are today impatiently demanding a solution to their basic needs.

He also acknowledged the existence of traditional elites who refuse to lose their privileges. He added that there are also the populists and demagogues who incite the people to resort to violent means to conquer their social demands, which are perfectly acceptable in those systems that have achieved economic growth.

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Wasmosy added that environmental contamination and the negative influence of drug trafficking, whose economic power vastly surpasses the powers of some governments, are also factors that impair the development of the country.

He warned that there are also those who believe that all these problems can be resolved only through authoritarian means.

He said that to reverse this situation and improve the social situation of the poor, "we must set the economy in motion."

He said he has always been aware that once the time for the political reform expired, the government would be pressured with social claims.

Wasmosy informed opposition leaders that our country must realize that less privileged classes will continue to support democracy if there is economic growth, and that this must be accomplished expeditiously through achievements.

Nevertheless, he said that prior to the achievement of this goal, the various government and social sectors must redefine and restructure their ties. He said that his administration has very clear objectives: To achieve economic growth with social equity; to strengthen ties between the state and society; and to create tools so that people may enjoy social rights such as social security, the safeguarding of the environment, defense of general social interests, dignifying of traditionally ignored social groups, and addressing of issues such as education, public security, housing, and payment of a just salary, among others.

Wasmosy also told the opposition leaders that in order to modify the current socioeconomic situation, the country must overcome a primary production structure by starting an aggressive industrialization process and industrializing agriculture.

He added that the excessively large and ineffective public administration, which is unable to manage its own interests, must be improved. He also said people must advocate that private enterprise have access to modern production, management, and administration concepts in compliance with current demands imposed by international trade and competitiveness.

During the meeting held on 30 March, Wasmosy urged political opposition leaders to be sensible and look for mechanisms that will promote an economic take-off. [passage omitted]

He said much time is wasted in the study of laws that are necessary to implement structural changes proposed by the administration, and we are overwhelmed by an unjustified atmosphere of distrust.

Commenting on some prevailing contradictions in the interrelationship of institutions, and in direct allusion to all governors and mayors throughout the country, Wasmosy said that the public administration wants to abjure its gigantic proportions but some sectors of society either impair it or refuse to accept a streamlining.

He added that private enterprise complains about the government but some of its members refuse to adapt to the modernizations urged by the government.

Wasmosy said that certain companies only wish to do business with government money. He said: "When they look into their neighbor's business they support privatization but when they look into their own they uphold statism." [passage omitted]

Paraguay: Colorado Party To Hold Internal Elections 28 Apr

PY1604013096 Asuncion NOTICIAS in Spanish 14 Apr 96 p 9

[FBIS Translated Excerpt] As announced by NOTICIAS, the Colorado Party members will elect the new Colorado Party executive board members on 28 April. The Colorado Party Electoral Board (TEP) issued a resolution yesterday, calling the ANR [National Republican Association] internal elections for 28 April. Police and civilian guards at the Colorado Party headquarters have been reinforced as of 13 April. [passage omitted]

TEP President Pedro Hugo Pena noted that, after the Asuncion Electoral Court (TEC) lifted a precautionary measure as a response to the abandonment of an appeal filed by the United Coloradoism faction, the Colorado Party Electoral Board was at liberty to handle the Colorado Party internal elections. [passage omitted]

Peru

Peru: Tudela Interviewed on Meeting With Leoro

PY1504154796 Madrid EFE in Spanish 1851 GMT 14 Apr 96

[FBIS Translated Excerpt] Cochabamba (Bolivia), 14 Apr (EFE) — Peruvian Foreign Minister Francisco Tudela today said that the territorial controversy Ecuador raised with Peru concerns 250 km of Peruvian-Ecuadoran border.

During an interview with EFE, Tudela said this is the most important deduction that can be made from the list of "subsistent impasses" or border disputes that Ecuador raised within the framework of negotiations to resolve its territorial controversies with Peru.

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Tudela met today in Cochabamba with his Ecuadoran colleague Galo Leoro. They arrived in Cochabamba on 13 April from Lima aboard the same plane to attend the Sixth Rio Group-EU Foreign Ministers Meeting.

Referring to his meeting with Leoro, Tudela said: "It was a strictly confidential meeting." He said the discussion centered on the peace process both countries are implementing after the war they waged last year.

Tudela believes the issuance of the list of "subsistent impasses" by Ecuador constitutes "a great step forward" for the peace process.

He added: "Although we disagree with their position, we are now aware that Ecuadorans are only questioning 250 kilometers of the border. Thus, 1,300 kilometers of our border are consolidated."

Moreover, Tudela said the bilateral negotiations "should not be halted" until a new Ecuadoran administration is installed. Ecuador is scheduled to hold general elections in the next few months.

He added: "If we start negotiations with a new administration, we would have to readdress inconsequential issues."

Tudela said Peru "is closely following" the Ecuadoran election process. He expressed hope, however, that Ecuador is encompassing the peace negotiations process within the framework of an overall national policy and not a government policy. [passage omitted]

Peru: Tudela, Honduran Counterpart Sign Agreements

PY1204182596 Lima EL COMERCIO in Spanish 9 Apr 96 p A4

[FBIS Translated Text] On 8 April Honduran Foreign Minister Delmer Urbizo and his Peruvian counterpart Francisco Tudela signed two cooperation agreements within the framework of the official visit Honduran President Carlos Roberto Reina is making to Peru.

The first agreement provides for the creation of a permanent mechanism of diplomatic consultation between the Peruvian and Honduran Foreign Ministries in order to implement agreements on bilateral and international agenda issues.

The second agreement provides for the elimination of visas in Peruvian and Honduran diplomatic and official passports, a fact that will expedite trips of public employees from the two countries.

Following the signing of the agreements at the Torre Tagle Palace, Reina granted a news conference.

He commented that the attack he suffered last week was the third since he assumed office in January 1994.

He said: "The attackers might be — although there are no details yet — enemies of democracy, those who are smothered and harmed by democracy, those who believe that the administration of justice threatens their interests. I believe that not even the blindest would deny that Honduras, my fatherland, is undergoing a true democratic recovery process, that it has projections of what it had long been deprived of."

He pointed out that "if their target is aimed at creating terror, they will fail."

Reina also said that investments and exports should be improved to fight poverty, adding that Peru and Honduras are seeking to strengthen their economies.

Early in the morning he visited the Humboldt Scientific Research Ship in the company of Alberto Pandolfi Arbulu, president of the Council of Ministers and fisheries minister, and Rear Admiral Luis Gianpietri, president of the Ocean Institute of Peru [Imarpe]. Reina was surprised by the modern equipment and scientific maritime technology of the ship.

Reina's visit to Imarpe is associated with the fact that the creation of the Ocean Institute of Central America is expected to be firmed up during his visit to Peru, with the support of our country.

Peru: New Ombudsman Guarantees Autonomy of Office

PY1604033796 Lima America Television Network in Spanish 0100 GMT 11 Apr 96

[FBIS Translated Text] Jorge Santistevan de Noriega took the oath of office today as the new ombudsman during a morning session of Congress headed by Congress President Martha Chavez. Shortly afterward, Santistevan granted a news conference in which he guaranteed the autonomy of the Ombudsman's Office and asserted that he will defend the rights of the citizens against abuses.

[Begin recording] [Unidentified reporter] With unanimous applause, Congress welcomed Jorge Vicente Santistevan de Noriega, the first Ombudsman's Office head elected by the legislative branch. The consensus achieved with regard to his election last week was reflected on this occasion. Congress President Martha Chavez was in charge of administering the oath of office to Santistevan.

[Chavez] Jorge Santistevan de Noriega, do you hereby solemnly swear before God and the fatherland to

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faithfully comply with the duties of ombudsman you have been elected to exercise?

[Santistevan] Yes, I do.

[Chavez] If you do, may the Lord and the fatherland reward you; if not, may the Lord and the fatherland so demand it.

[Reporter] It is now up to Santistevan de Noriega to assume the high responsibility of safeguarding the full observance of citizens' rights, as he stated in his first news conference. During it, he guaranteed the full autonomy of the Ombudsman's Office and said he will devote himself to answering the demands made by less privileged citizens. Regarding the referendum, he said that people should avoid meddling in the affairs of others.

[Santistevan] The Ombudsman's Office will not meddle in these issues. It will see that government institutions comply with their duties. We are sure that Congress will do its duty, and that the National Election Board will do the same.

The Ombudsman's Office will be able to exercise its defense duties as a last resource whenever the individual and constitutional rights of the people and the community are affected.

[Reporter] Regarding frequent charges about police abuse, he said that at the proper time actions will be coordinated to avoid future police abuse cases.

[Santistevan, in progress] ...actions will necessarily be coordinated with prosecutors. The Prosecutor's Office is one of the institutions with which we will have to coordinate actions. Our task will also go beyond receiving complaints. In other words, we will undertake preventive actions. I am sure that the National Police [PNP] is more than interested in offering good service, and that PNP Director General Ketin Vidal, whom I expect to meet next week, will be the first person interested in implementing mechanisms to provide the best and most civilized police service possible. [end recording]

Peru: Santistevan Sworn In as New Ombudsman

PY1204164596 Lima EL COMERCIO in Spanish 11 Apr 96 p A5

[FBIS Translated Excerpt] Congress President Martha Chavez Cossio yesterday administered the oath of office to Ombudsman Jorge Santistevan de Noriega, who said he will fulfill his responsibility of defending the rights of people beyond any political or group interests.

Santistevan said that his first activities will be devoted to increasing the budget allocated to the Ombudsman's Office so as to be able to hire competent and highly qualified professionals and to have the proper infrastructure that will guarantee the gradual presence of the Ombudsman's Office nationwide.

Up to this point, the Ombudsman's Office has initially been allocated 200,000 new soles. Santistevan said, however, that this budget should be increased to at least 2 million new soles.

He added that he will soon submit to Congress a bill establishing that Ombudsman's Office employees should adhere to labor regulations for employees of private companies. [passage omitted]

Peru: Ombudsman's First Statement, Background Noted

96SM0224E (Internet) Peru DESCO Gopher in Spanish 4 Apr 96

[Unattributed article: "The Ombudsman"; from DESCO Resumen Semanal 27 Mar-2 Apr]

[FBIS Translated Text] Upon learning of his appointment, Santistevan de Noriega reaffirmed his commitment to perform his duties in a responsible, deliberate, and independent manner. "The goal of the mission that has been entrusted to me," he said, "is to achieve progress in the ability to govern, and to develop—aided by the contribution of the ombudsman—an institutional philosophy that is focused on the dignity of the individual, the defense of human rights, and the welfare of the community. I regard the press as an essential channel for forging a bond between the ombudsman and society." He also pointed out that the novel character of the post of ombudsman in Peru necessitates the initiation of "a process of open dialog, publicity, and education concerning the functions of this office."

Jorge Santistevan is a native of Arequipa, where he was born on 22 January 1945. He was educated at the academies of San Jose in Arequipa from 1951 to 1959 and La Inmaculada in Lima from 1960 to 1961. He then enrolled at the Pontifical Catholic University of Peru, where he studied Letters from 1962 to 1963 and Law from 1964 to 1968. He divided his time between his university studies and his duties as an intern with the law firm of Llona and Bustamante, in which he subsequently was a partner until 10 January 1996. He received a scholarship to study Comparative Law at the Inter-American Law Institute [preceding title in English] (1969-70). Immediately thereafter he participated in the cooperativism program at the Madison campus of the University of Wisconsin, specializing in the field of Law and Development. Santistevan then returned to Peru, where he engaged in academic activities. He was also

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a member of the team of researchers at the Center for Development Studies and Promotion (DESCO) between 1972 and 1974 and has served as adviser to a number of international organizations. (In most of the daily newspapers, 29 March 1996)

Peru: Health Minister 'Not Ruling Out' Privatization

96SM0230A Lima LA REPUBLICA in Spanish 11 Apr 96

[Unattributed report: "An Insurance Expert for Public Health Minister and a T.V. Engineer for Education Minister" — received via Internet]

[FBIS Translated Text] The new minister of Public Health, Attorney Marino Costa Bauer, last night announced a profound managerial reform in the public health sector and did not rule out privatization of the health services and moralization.

Costa Bauer, a Lima resident and the former general manager of the Condor Insurance Company and director of the Republic Bank, took the oath of office yesterday before President Alberto Fujimori together with the new minister of Education, the civil engineer Domingo Palermo Cabrejos, a Trujillo resident who is a building contractor and entrepreneur in the broadcast media.

Only Costa Bauer spoke to the press immediately following the customary greeting from his cabinet colleagues, headed by Alberto Pandolfi, and from the other high government officials, friends, and family members who were present at the ceremony in the Golden Room of Government Palace.

He declared that although the Public Health Ministry has excellent medical and paramedical professionals, it needs more than one expert manager in the administrative area, and on that basis he said his experience as a lawyer whose specialty is insurance qualifies him to serve in that post, which has traditionally been held by physicians.

He said his principal task will be to study the problems of the public health sector and fulfill the mission entrusted to him by President of the Republic Fujimori and Prime Minister Alberto Pandolfi, which is to carry out an administrative reform.

"Are you going to announce a total reorganization of the public health sector?" he was asked. He replied that he will study the situation before taking that step.

He said the possibility of privatizing the public health services will be studied, and declared that "the private sector is much better than the public sector."

On the subject of family planning, he said he will coordinate actions with Minister of Education Domingo Palermo Cabrejos for the purpose of establishing appropriate public health policies.

The new minister of public health, who studied at the Catholic Universities of Peru and New York and at the Inter-American Law Institute, is an expert in the area of insurance and reinsurance. Between 1980 and 1982 he was employed at Hogg Robinson & Gardner Miuntain [as published] Ltd., insurance and reinsurance brokers in London, England; was associated with the law office of Javier Cavero Egusquiza; and most recently served as director of the IPAE [Peruvian Institute of Business Administration].

The new minister of Education, Domingo Palermo Cabrejos—who replaces Dr. Dante Cordova—received his elementary and secondary education at the Seminary Academy in Trujillo, the Salesianos Academy in Lima, and the Leoncio Prado military academy. He is a graduate of the National Engineering University and the Advanced Management Program of the University of Piura.

His professional activities have been in the construction industry and the broadcast media. He is also active in cultural affairs and is the founder and former president of Prolirica.

Peru: DESCO Weekly Summary of Events

96SM0217B (Internet) Peru DESCO Gopher in Spanish 27 Mar 96

[From DESCO Resumen Semanal 19-26 Mar]

[FBIS Translated Excerpts] The few governmental responses made to date have not yet reassured the business community with respect to the nation's progress. This is reflected in the downward trends on the sensitive Lima Stock Exchange and in the quotations for Peruvian debt securities in New York. More clear-cut measures would apparently require prior resolution of the differences that prevail within the cabinet. Meanwhile, the visit of the UNESCO director general gave top billing to the important subject of education. At the same time, Monsignor Luis Bambaren was calling into question a guide for sex education that is published by the Ministry of Education. In the field of foreign relations, President Alberto Fujimori visited Mexico and Minister of Economy Jorge Camet attended a meeting of IDB governors in Buenos Aires.

Fujimori in Mexico

Upon his arrival in Mexico on 25 March, President Alberto Fujimori was received by Secretary of Foreign

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Relations Jose Angel Gurria and immediately went to the National Palace with his delegation, where he was received by President Ernesto Zedillo. The Peruvian and Mexican presidents expressed the need for strengthening the commercial ties between their two countries and thereby facilitating trade and investment. In this connection, the ultimate objective of the bilateral negotiations that were initiated is presumably the signing of a free trade treaty. President Zedillo declared that the "proposal to negotiate a free trade agreement—with no tariff barriers—between Peru and Mexico" is an unequivocal manifestation of the desire to intensify our bilateral relations. Sources close to the Peruvian delegation indicated that this is precisely one of the goals of the presidential trip and that in the coming days the scope of the negotiations for a free trade agreement will become known in greater detail. (In most newspapers, 26 March 1996)

Prices Quoted for Peruvian Debt Securities

The prices quoted for Peruvian debt securities—which according to many analysts were overvalued—have been falling steadily since 18 March. The Peruvian "non-Citi" securities—which closed last week at 82 cents on the dollar—have fallen four more points, closing at 78 cents on the dollar. In early February the prices quoted for Peruvian "Citi" debt securities (which are traded in New York) had risen to nearly 90 cents on the dollar. On the other hand, John Welch—chief economist of Lehman Brothers investment bank—expressed concern over the political shadow that has been cast over Peru. "President Fujimori," he said, "has not defined what type of institutional transition will take place in Peru toward a more democratic system. An initial wave of responses," he added, "is already apparent as a result of the authoritarian position that the president has adopted." (In GESTION, 20 March 1996)

The Confiep Proposal

The study presented by Confiep [National Confederation of Private Business] to President Fujimori contains—as one of its main conclusions—the observation that if there is a decline in world prices for export products, the present situation could worsen, and in that context the flow of foreign capital—which is financing the current accounts deficit—could be reversed. The product of the privatizations would then be insufficient to eliminate the current accounts deficit, and this would in turn bring about a crisis in the balance of payments and the banking system, in addition to a severe economic recession. The study explains that the government has two alternatives today for coping with the situation. The first of these options is to continue cooling down the economy in order to restrain the increase in imports; the second is to increase the competitiveness of Peruvian industry by reducing excessive costs in the areas of labor and taxation and thereby steadily improve the real exchange rate, in order to generate an increase in exports and consequently an increase in steady employment. (In LA REPUBLICA, 21 March 1996)

Falling Prices on the Stock Exchange

The newspaper GESTION says in its 20 March 1996 edition: "As the days pass, the uncertainty with respect to economic policy continues to grow. Proof of this can be found in the recent statements by the president of the Stock Exchange, who said the downward trend in the stock market is explained by the vagueness of the refinements—or improvements—that have been announced. Meanwhile, at the cabinet level, the overall picture involving the various opposing voices—far from becoming clearer—is becoming increasingly cloudy."

"Refinements" Already Being Implemented

One year following the military conflict with Ecuador, President Alberto Fujimori acknowledged that the Cenepa War had entailed unanticipated government spending, which in turn produced a budgetary deficit that recently has begun to be reduced. Although he would not disclose the extent of the fiscal gap caused by the conflict, he declared that the nation had not experienced increased economic instability. He said this was due to the fact that the flow of investment capital in our country had not ceased, and for that reason the public finances are gradually being brought into balance. He ruled out any abrupt changes in the basic model of the economic program because, he insisted, some reforms are already being put into practice. "For example," he said, "the sugar cooperatives are being given the freedom to choose their own model (for paying off their tax indebtedness). This would translate into increased investment, increased sugar production, and increased tax collections. These are the reforms that we are making, and after all, they are included among these so-called refinements." (GESTION, 21 March 1996)

"A General Tax Amnesty?"

The 22 March 1996 edition of GESTION commented on these statements. "Has the refinement of the program begun?" the newspaper asked. "The question has been answered by the chief executive, who explained the options from which the members of the sugar cooperatives will have to make their choice and pointed out that this measure is included among the scheduled refinements in the economic program. There is a contradiction, however, in that while the government is insisting over and over again that tax revenues are insufficient, it has decided to forgive 70 percent of the

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debt of the sugar enterprises. What will be difficult for Peruvian and foreign investors to understand is why—in a context of insufficient tax revenues—the government has decided to approve a general tax amnesty for the sugar enterprises. This measure acquires increased significance when one takes into account the fact that certain communications media had previously been accorded special tax treatment (that allowed them to pay their overdue and unpaid obligations to Sunat [National Tax Administration Superintendency] in the form of free advertising), and the announcement that a total of $128 million in debt had been forgiven for 186,000 borrowers of the development bank, which is now in the process of liquidation. Most disturbing of all, however, is the fact that D. Leg. [Legislative Decree] 802—which according to the head of state includes some of the refinements of the program—may set a precedent for another similar refinement, namely, passage of the bill entitled 'Job Development, Entrepreneurial Reactivation, and the Privatization of the Financial Assets of the State.' This legislative initiative would enable hundreds of enterprises—enterprises that for various reasons would otherwise be unable to discharge their tax indebtedness—to capitalize their debt."

"Suspicious Generosity"

The 22 March edition of EXPRESO also commented on the tax amnesty. "The government," it said, "has unconstitutionally decided to forgive 60 percent of the debt of the sugar enterprises if they are able to pay the balance in cash, or to allow them to pay off their debt over a period of years if they make an initial settlement of 20 percent of the debt. If they are unable to do either, the government will forgive 70 percent of their debt! It is, in short, a privileged treatment that has no place in any nation of laws. Why not also forgive the debt of the long list of enterprises that are in debt to Sunat? Why say 'yes' to some, and to others 'no'? What kind of halo do the sugar enterprises wear? Could this be their reward for having abandoned the growing of such a profitable crop—an action that is truly criminal in a country half of whose population lives below the poverty line? Here—laid bare for all to see—is the demagogic populism of Alanism [reference is to the movement headed by former president Alan Garcia], which proceeds on the assumption that it is an abuse, for example, to ask peasants to pay off their loans with interest and therefore gives 'zero credit.' This amounts to believing that there are Peruvians who are irresponsible and ineffective and other Peruvians who are responsible and capable, and that the law in general applies only to the latter category. This is the way to prevent the development of free men and women who are well-rounded, responsible citizens—and to encourage disrespect for the law, inasmuch as the law no longer applies to everyone."

"Biased and Coercive Collection Procedure"

"Someone in the MEF [Ministry of Economy and Finance]," Mirko Lauer maintains, "must be rubbing his hands in satisfaction. The minister who is supposed to be a supporter of APRA [American Popular Revolutionary Alliance] and the promoter of the most timid of agricultural protection policies has the task of imposing a biased and coercive collection procedure on the sugar cooperatives and initiating the political harassment of the more or less solidly Aprista northern part of the country. Absalon Vasquez has wound up entangled in the numbers and in the arguments. The figures for the percentages and amounts of the debt owed by the individual CAP's [Agrarian Production Cooperatives] that he has used have been called into question, as well as the percentages cited for the various creditor sectors. Who embarked Vasquez on this mission of debt collection without the necessary prior training in arithmetic? Whereas the minister is suspected of serving the interests of the financial groups that hang around the government, the members and managers of the cooperatives are even more strongly suspected of engaging in traditional and supine nonsense. Even assuming that the way out for the sugar CAP's is for them to become corporations, is it not possible to find formulas, alliances, advisers, lobbies [preceding word in English], or messengers to ward off this delayed attack, pencils in hand? Apparently not, to judge from what their current managers are saying." (LA REPUBLICA, 26 March 1996)

Reduce the Amount of the Agrarian Judgments?

On 20 March the Committee on Agrarian Affairs of the Congress of the Republic, acting in coordination with the committees on the Constitution and on Justice, agreed to amend the bill—introduced by the Executive Branch—that would reduce the amount of the agrarian judgments that have been rendered against the state. The bill as amended would allow the state to take special legal action to appeal judgments that provide for compensation that is at variance with the nominal value of the expropriated agricultural properties. This would mean that payment of the agrarian debt—and especially the redemption of the bonds that were delivered as a method of paying for the expropriated lands and other agrarian assets covered by the agrarian reform—would be for the nominal value of the properties plus the interest established for each bond issue and type of bond, according to the respective legal provisions that authorized issuance of the bonds. Indexation would no longer be permitted in connection with payment of the debt.

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"The state is currently facing more than 5,000 judicial actions, the 69 most notable of which would alone involve a total disbursement of $50 million by the Public Treasury," warned Attorney Fernando Garcia of the Ministry of Agriculture and the Office of the Public Prosecutor during his appearance before the Congressional Committee on Agrarian Affairs. Garcia believes that updating the value of the bonds issued to pay the agrarian debt that was contracted for the expropriation of lands would cause the distortion and collapse of the General Budget. He emphasized that the object is to avoid situations such as the state having to pay $9 million for a 103-hectare farm located in Huaral, "which," he said, "would amount to paying $81,000 per hectare for property valued at no more than $4,000 per hectare."

According to legal experts, however, the substitute bill as approved by the Agrarian Affairs Committee contains provisions that violate the Constitution, inasmuch as the Congress would be appropriating powers that are exclusively jurisdictional, because it would be rendering decisions involving rights that are being asserted in the courts of the Judicial Branch. In other words, the bill implies the arrogation by the Congress of the power to decide the outcome of legal proceedings, thereby in effect replacing the judge as the authority that renders the decision. Other analysts, however, maintain that the bill merely restates the existing norms and clarifies the relationship among them. (In most of the daily newspapers, 21 March 1996)

"Owner or Prescription: Either the One or the Other"

In its 21 March 1996 edition, EXPRESO makes the following comment: "In view of the unanimous reaction in opposition to the Agriculture Ministry's grossly unconstitutional bill that ordered reductions in the monetary awards for land and that suspended implementation of the corresponding judicial decisions, action has apparently been taken to replace that bill with another bill. This, however, does not solve the problem at hand: the problem of those landowners whose lands were never actually expropriated and who have gone to court to obtain the return of their lands which are today in the possession of squatters. In our opinion, the basic question regarding the dispute between the owner and the squatter who occupies his lands is of a private, not a public, nature: the squatter should either purchase the property, lease it, or reach an agreement to return it. If there is a conflict, it would be resolved in the courts. The matter is therefore clear: either the owner reclaims his property, or it is subject to prescription, so that if—despite everything—the state intervenes, one must begin to suspect the existence of economic interests behind the scenes. That would be a very serious matter." [passage omitted]

Another Legislative Decree: Cofopri

On 22 March the Executive Branch promulgated the "Law for the Encouragement of Access to Formal Ownership" (D.L. No. 803), which creates the Commission for the Formalization of Informal Ownership (COFOPRI), an organ that will be in charge of planning and executing an ambitious "Program for the Formalization of Ownership" with the goal of incorporating into the dynamic of the national economy—over a period estimated at 4 years—1.6 million landed properties that have deficiencies in their titles or their registry.

Commenting on "the new law for granting titles," the daily EL COMERCIO on 20 March 1996 made the following comment: "In the first place, it is regrettable that this has to be accomplished by means of a regulation originating in the Executive Branch, which once again is using a function delegated to it by the Congress. In the second place, it continues to be cause for concern that a de facto system paralleling that of the Public Registers is being created, and one can foresee the danger that in addition to the formalization of titles per se, a second category of ownership could be created. This parallel system neglects the difficult situation of the very large number of houses and lands in urban areas that are without valid titles, and—worse still—it is a known fact that even some older housing complexes built by the state are not legally recorded. There is also the possibility that this new system of formalizing informal titles will result in infringing the rights of many property owners who are still in litigation against invaders who occupied their lands by force. Lastly, it is of enormous importance to know which item in the budget will bear the cost of formalizing these informal titles and how the process will be financed."

The Minister's Response

Minister of the Presidency Jaime Yoshiyama announced on 24 March that the World Bank would provide $100 million to finance the program for the formalization of informal titles of ownership—a program that will benefit millions of Peruvians during the next five years. He declared that "it would take us 200 years" to carry out this registration by the traditional methods. "Under the law that establishes the Commission for the Formalization of Informal Ownership (Cofopri)," he explained, "we shall accomplish this registration rapidly. I deny that these titles of ownership are going to be second-class. On the contrary: the financial institutions will accept them as collateral." Yoshiyama explained

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that President Alberto Fujimori himself will direct the program, the goal of which is to provide—and record—the title to 1.6 million landed properties throughout the national territory. "We are going to establish a special arbitral system, for which provision is made in the existing Political Constitution," he said. "We are coordinating our efforts with a group of cabinet ministers to ensure that the titles will be granted on a massive scale." (In EL COMERCIO, 25 March 1996)

Have Any Shining Path Members Been Released?

Administrative Confusion

There is to date no exact knowledge of the number of terrorists who have been released over the past three years, because neither the Judicial Branch nor the Inpe [National Prisons Institute] exercises strict control over the release of Shining Hour and MRTA [Tupac Amaru Revolutionary Movement] prisoners. The current Inpe leadership is known to have ordered that a detailed report be made concerning the terrorists who have been released, but it has encountered tremendous administrative confusion caused by the previous Inpe managements and by an archaic manual system for filing and managing the prison records. Moreover, PNP [Peruvian National Police] Colonel Alberto Sarmiento—one of the three colonels of Dincote [National Counterterrorism Directorate]—visited the office of Public Prosecutor Julia Eguia, who heads the 13th Criminal Prosecutorial District, where he made a hasty statement to the effect that they know nothing about the prisoner releases. Sarmiento informed her that the job of the police is to investigate and capture the terrorists. Eguia explained that she is only investigating the alleged improper release of the four terrorists that was reported by Mayor Michel Azcueta of Villa El Salvador. The final report of the representative of the Judicial Branch, however, is expected to say that no evidence has been found to indicate that judicial authorities were responsible for the alleged release of seven subversives, as initially reported by the mayor. (In EL COMERCIO and EL MUNDO, 20 March 1996)

"With Complete Openness"

On 20 March the presiding judge of the Lima Superior Court, Marcos Ibazeta Marino, declared that the Judicial Branch is acting with complete openness and firmness, faithful to its responsibilities in connection with the pacification process that the government initiated several years ago—a process in which human rights are respected and the verdicts rendered by the judges are being carried out. Marcos Ibazeta also stated that the trials of terrorists are being properly reviewed by the respective court jurisdictions. "Let the citizens have not the slightest doubt," he said, "that when we receive information concerning any irregularity, these cases are reviewed as quickly as possible." As for the allegation by Mayor Michel Azcueta of Villa El Salvador, the presiding judge of the Superior Court stated that there had been no irregularity and that there had, however, been some disinformation on the mayor's part, "which," Ibazeta said, "constituted an attack on the pacification process." He explained that of the four terrorists reported by Azcueta, two—identified as Pedro Pablo Valdez Bernales and Andres Alberto Albay Malma—had been acquitted in court, whereas Humberto Camargo is confined at the Miguel Castro Castro prison in Canto Grande and Jesus Gabino Albay Malma is serving a 10-year sentence at the Trujillo correctional facility. (In most of the daily newspapers, 21 March 1996)

Shelved

Julia Eguia Davalos, who heads the the 13th Provincial Public Prosecutor's Office in Lima, subsequently reported that the allegation made by Mayor Michel Azcueta of Villa El Salvador—in which he reported the release of a group of terrorists—had been shelved when no irregularity was verified. Public Prosecutor Julia Eguia also explained that of the four terrorists who were "seen" by Michel Azcueta, three are at liberty and one is being held at the penitentiary in Trujillo, where he will soon be put on trial [as published]. She identified the Shining Path individuals who had been acquitted by the authorities as Humberto Camargo Riveros, who has been at liberty since 15 June 1995; Pedro Pablo Valdez Bernales; Andres Alberto Albay; and Jesus Gabino Albay Malma, the only one being held in prison. Eguia went on to explain that after Mayor Michel Azcueta made his report to the authorities, he feared for his life and accordingly met with PNP officers Sarmiento and Rivera, who are members of Dincote, to request protection for his person. Meanwhile, it was learned that the attorney general of the Nation, Blanca Nelida Colan, in a public prosecutorial resolution, appointed Dr. Julia Eguia as ad hoc public prosecutor to conduct the investigations of the alleged release from prison of 150 terrorists who were serving sentences in various of the nation's prisons. (In most of the daily newspapers, 22 March 1996)

Concerned Citizens

EL COMERCIO commented on 22 March 96: "Although official explanations have already begun to be made concerning the matter, there is obvious public concern over the report—published several days ago—of the release of an unspecified number of terrorists who had been serving sentences at various prisons in the capital and the rest of the country. The details

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that were most alarming were contained in the statements made by Mayor Michel Azcueta of Villa El Salvador. Specifically, Azcueta's allegation pertained to four Shining Path individuals whom he had recognized and who—despite the fact that they were supposed to be in prison—were freely moving about without much difficulty in the streets of their district, where some very serious attacks have occurred. The report of the possible unwise transfer of certain terrorists—who were being held at high-security prisons—from Puno to other facilities in Lima has also aroused concern. And although such actions would presumably have to be carefully studied, understood, and approved by the relevant authorities, it may nevertheless be that such is not the case, inasmuch as there has been a noticeable lack of information concerning this matter, at least in the initial moments following receipt of these reports. Moreover, it has been confirmed that no one in the government departments directly involved in this matter seems to know exactly how many terrorists have regained their freedom during the past three years."

"Innocent Persons Wrongfully Accused"

The National Coordinating Board for Human Rights has made public its profound concern over allegations appearing in the media concerning the improper relelase of subversives and concerning inexplicable transfers of penitentiary inmates. In a statement issued by its national board of directors, the Coordinating Board has reiterated its profound concern over the fact that certain news media have published a report that lists the names of terrorists of the Shining Path and MRTA who have been set free by the Judicial Branch, "including 24 innocent persons who were wrongfully accused of subversion and whose cases have been taken on by the organizations that comprise the Coordinating Board." The Board added that a rigorous investigation is necessary in order to cast light on the origin and cause of the irregular releases of terrorist elements. (GESTION, 24 March 1996) [passage omitted]

Venezuela

Venezuela: Caldera Announces Economic Measures

PA1604023696 Caracas Venezolana de Television Network in Spanish 0000 GMT 16 Apr 96

[Speech by President Rafael Caldera from Miraflores Palace in Caracas announcing economic adjustment measures — live]

[FBIS Translated Text] On 12 March, only a month ago, when, by constitutional mandate, I presented my annual state of the nation address to Congress, I announced that we would adopt several measures, some of which would be drastic, but necessary, to ensure the country's stability and economic recovery. I am here today to announce those measures. With this action, I am not surprising anyone. The public has been kept abreast of the many talks held by the Economy Ministry officials with all the social sectors to brief them about the situation, the key characteristics of these measures, the need to adopt them, and our confidence that these measures — after a certain period of discomfort, trauma, and nuisance — will pave the way for Venezuela's recovery and economic progress.

One of these measures refers to the price of gasoline. A new price will go into effect tomorrow: 50, 55, and 60 bolivares. This is indispensable to help balance the budget because the fiscal deficit is one of the grave factors in the inflationary process with which we have had to cope. This matter has been thoroughly reviewed and we have decided to grant a subsidy so that the millions of users of public transportation services do not have to suffer an increase in the fares they pay as a result of this fuel price increase. Fare prices might increase due to other reasons; for instance, the price of tires, spare parts, equipment, or the salaries that must be paid to transportation sector workers. However, this increase in fuel prices will not endorse, nor will it result in higher fares for the users of the transportation system.

There is also a project under way, an extremely interesting project: the natural gas project. A systematic, well-planned effort is under way to replace liquid fuel with natural gas. Natural gas is a cleaner and cheaper fuel and it offers new possibilities for the export of liquid fuels.

Meanwhile, to resolve the problem of the fiscal deficit, we must undoubtedly increase revenues. We have reached a consensus for Congress to approve an increase on luxury taxes and wholesale transactions up to 16.5 percent. IMF experts had suggested to go as high as 18 percent. However, the consensus reached established 16.5 percent as the limit and this has already been guaranteed by the pledge of the votes that constitute a majority in the legislative bodies.

These measures will also be accompanied by an intensification in the work of the Seniat [Integrated National Service for Tax Administration]. The extent of tax evasions in Venezuela is considerable. There are many people who do not pay their taxes — taxes owed in keeping with the law. The fact that taxes must be collected effectively, fairly, and equitably is precisely one of the factors of the reorganization of the national public administration. The search for a control on the fiscal deficit entails an increase in revenues, as well as a control on the level of expenditures. We need a firm fiscal discipline, and we must all understand this firm fiscal dis-

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cipline. This is the reason why our desire to increase the wages earned by the labor sector has a limit and the very beneficiaries of this increase must understand this limit, because they will be receiving a substantial compensation vis-a-vis the economic and fiscal situation being faced by Venezuela.

Another measure that must be adopted involves the stability of the exchange system. When we established the currency exchange control system we said that it was a temporary measure. We were aware of that to lift it later on was not going to be easy. Well, now conditions are favorable to lift this control and keep our promise. Consequently, we are going to completely free the currency exchange system to let the market establish the value of foreign exchange and allow transactions to take place without the obstacles that bureaucracy makes indispensable; obstacles that are a result of such control, which make things more difficult.

These measures, these conditions which favor the release on restrictions are mainly, on one hand, that we have been able to bring international reserves to $10 billion, and, on the other hand, that the annual income of foreign exchange be reliably estimated at $18 billion. This is enough to meet easily the needs and requirements of the country.

Additionally, the price of petroleum is very convenient at the present time. We cannot insure it will remain at the current level indefinitely. But, undoubtedly, it remains at a very reasonable level.

The other element that the liberalization of the foreign exchange system inspires or encourages, is confidence. And we are precisely in a process to fully recover confidence. The conversations we maintain with the IMF and multilateral financial organizations contribute in this regard.

In the meantime, we are willing to adopt measures with regard to the interest rates. These are difficult and delicate measures, because when one sector is benefited, another sector is adversely affected. What must be viewed, when looking at the big picture, is what is in the best interest of the country at the time these measures will be adopted.

This liberalization of interest rates, at the current moment, at the same time or simultaneously as the release on foreign exchange restrictions, represents an indispensable and convenient measure for the economic health of the country.

We are ready to continue the efforts we have carried out to achieve the stabilization, cleansing, strength, and confidence in the financial system, namely banks. The financial system confronted a very serious crisis in Venezuela. People have not fully realized the seriousness of the situation. If the measures that were adopted had not been taken, millions of savings account holders would be on the streets crying and staging demonstrations for the loss of their savings.

We were forced to make a big sacrifice, but we must implement the measures that are necessary to ensure Venezuelans, in a firm manner, that their banks are trustworthy, and that they are in healthy conditions because, in the end, a modern economy without banks cannot operate.

The economic measures are accompanied by social measures. We cannot separate economic from social issues. For us, for our government, the human being is fundamental. That is why we want these social measures to be more efficient, equitable, and fair each time. Part of these social measures are, on one hand, the subsidy for transportation to which I alluded. Millions of people traveling on bus will become beneficiaries of the subsidy that is given to transportation workers so they do not increase the transportation fares. The student fares will be maintained.

On the other hand, we must seek ways to increase the level of remunerations, the income of workers to satisfactory and convenient levels. This increase will reach 70 percent, excepting high-ranking government employees and officials, beginning with the president and the ministers. We will not receive a pay hike equal to that of other public employees and officials.

But state workers and employees, teachers, doctors, professionals, the university community as a whole, all the population connected with the public administration, must realize that we are making a big effort to offer these social measures. They must understand that we are offering the most we can, and that if they ask for more, they will be destroying the stabilization process we will achieve through the measures I just mentioned.

We have decided to double the so-called food subsidy, which will be restructured in the form of family subsidy.

We have decided to double the old age pensions for Venezuelan Social Security Institute retirees. We have decided to enhance the Economic Solidarity Program with supply centers, such as (Coopercentro), which, in our country, will increase in number, with solidarity markets, farmers' markets, and the Strategic Food Program [Programa Alimentario Estrategico] PAE, which tries to provide people with five essential foods through nongovernment distribution networks with the assistance of the private sector and a discount of over 40 percent of the market price. We are already starting to

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test this system, which should benefit some 4 million people.

We are concerned about medicines. We have implemented a medicine program called (Sumed), with the participation of the Health Ministry, registered drug stores, hospitals, and centers in which patients receive their prescriptions. Once they have the prescriptions, they will be able to get their medicine at only 20 percent of cost.

There are other efforts, the drug stores for low-income families, the work done at the barrios, the increase in the number of multifamily dwellings. All this is part of the social effort we are determined to carry out. A great program, which is the program for young people who have quit school and have no jobs, will be given the opportunity to have a job through the creation of a type of work scholarship. Thanks to an agreement we have signed with various public and private organizations, this scholarship could benefit some 200,000 persons.

All of this is very interesting and I would like to talk more about that, but the fundamental thing here is that for us, the essential thing is the population. If we are forced by circumstance, by the need to adopt measures that adversely affect the cost of living in general, we are determined to carry out our best efforts to soften the blow for the lower classes.

In talks with multilateral financial organizations, especially the IMF, the World Bank, and the Inter-American Development Bank, we have asked for preferences for social sectors, the so-called struggle against poverty. They have realized that the purely economical aspects do not resolve the countries' problems, but sometimes worsen them.

All of this is the basis for an economic reactivation, in which there are a series of really efficient initiatives. The petroleum sector opening has been a huge success. The road that has been built for the participation of Venezuelan and foreign investors, for the participation of the community in petroleum activities is truly encouraging. Our determination to promote the oil refining industry, especially on the Orimulsion [name given to a boiler fuel made from heavy oil], is a big opportunity.

We are willing to open our petrochemical and mining industries to the private sector. Privatizations continue, and among the most important ones are the aluminum industry at the Venezuelan Guayana Corporation, the sale of National Telephone Company of Venezuela stocks, the privatization of Aeropostal Venezolana Airlines, which will be auctioned off in a few days, and regional banks, of which some have already been privatized. We will soon privatize the Banco de Venezuela, the Banco Consolidado, and other important banks.

All of this: tourism, the development of the agriculture sector, the protection of the small and medium enterprise, and the development of activities through the franchise system opens the doors to domestic and foreign investments.

We can say that investors are standing in line. Venezuela truly has a great future. That is why we believe this is the beginning of a new phase — a new phase that goes from an economy of financial speculation to a productive economy. According to the nation's ninth plan, we strive to lay the groundwork for the construction of a new country.

The Venezuela Agenda is not a government agenda, but an agenda for all of Venezuela; and it has been used as the basis for our talks with the IMF. For several months our executives have been talking with IMF officials. There have been difficult moments at times, but all were guided by great sincerity and great respect.

We have managed to make them understand Venezuela's position on a series of very important and very critical considerations and issues. I believe that the talks will soon conclude satisfactorily. We have not tried to rush them or delay them. They have reached a critical point, and above all, the IMF's support is a pivotal factor to inspire trust in the financial circles worldwide, particularly the investors and economic agents.

That is why we can ask — in a country that is reforming its administration, that wants to reform its management of justice, its institutions, and wants to forge ahead and open new possibilities — for a sense of unity; the same spirit of unity that was evident when Pope John Paul II came here. It is true that the pope's arrival was an extraordinary event, that the pope's personality justified all the enthusiasm, all the support, and all the solidarity that we showed to welcome him.

However, this goal: the recovery of Venezuela, the recovery of its economy, the defense of Venezuela's social patrimony, and all these circumstances are basic elements that justify that spirit of unity that we are requesting, that we are demanding.

Messrs. governors, Messrs. mayors, Messrs. representatives of the public sector, and Messrs. representatives of the church and the private sector, we must unite and give hope a great opportunity. We must sponsor optimism and I am sure that we will come through. We can say, as [Simon Bolivar] the liberator said, to hesitate is to lose. We have adopted these measures because we must adopt them; and the country knows that we are

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adopting them because of the country's own needs. If this causes inconveniences and suffering during a certain phase, the road is open to advance firmly and clearly toward the construction of the new country we talked about in the nation's ninth plan; toward the implementation of the Venezuela Agenda, which is a program to overcome our problems and to guide our life toward the future.

That is why I issue an appeal to all the Venezuelans who hear me: Messrs., friends, Venezuelans all, and residents of the country who were not been born in Venezuela, our joint efforts, our work, our sweat, our hard work, our struggle, our faith, our conviction, and our love for Venezuela will compel us to go forward with this new phase we have begun. Thank you, very much.

Venezuela: Border Minister Confirms Attack on Bridge

PA1504212496 Caracas EL NACIONAL in Spanish 14 Apr 96 p D4

[FBIS Translated Text] Border Affairs Minister Pompeyo Marquez has confirmed that a dynamite attack on the bridge over the Pamplonita River, located in the bordering Norte de Santander Department, halted traffic between the Santander bridge and Cucuta and killed four soldiers from the Colombian Army.

Marquez reported that this incident, which was attributed to the Colombian guerrillas, took place on the evening of 14 April and prompted the intervention of the Venezuelan National Guard, which supported the soldiers from the neighboring country when they were carrying out operations against the rebels and criminal groups operating in the area.

Lieutenant David Duarte and a soldier identified as Martin Jimenez died in the dynamite attack, which took place in northern Tachira Department. Second Private Oliver Rodriguez Fernandez and soldier Nelson Enrique Zambrano, of the Colombian Armed Forces' Maza Group, were listed as wounded. The National Guard, through the 2d Company operating in Department 13, which is headquartered in Colon, helped them. They were treated at La Grita Hospital.

Venezuela: Columnist Views Results of Investment Study

PA1204180096 Caracas REPORTE DIARIO DE LA ECONOMIA in Spanish 8 Apr 96 p 5

[From the "Analysis of Political Risk" column by Carolina Hidalgo: "Political Conditions Favor Investments"]

[FBIS Translated Text]

Political Conditions Favor Investments if President Caldera Steers the Economic Strategy Correctly

Venezuela's political model earned a "B" grade. According to an analysis, the conditions created by the political system and the relationship among its players pose a low risk to private investment. In determining this, the behavior of the government until now, and the expectations created by announcements the president will make, were taken into account today.

In the study of the political model 13 factors were considered: political regime, pressure groups, government crisis, bureaucracy, foreign policy, possible international conflicts, intervention by third countries, corruption, autonomous movements, membership in international organizations, economic system, labor relations, and demographic structure.

Political Regime

Our democratic system was rated as a low risk (7) factor for investors. Venezuelan democracy could be a comparative advantage, because it has been maintained with relative stability for the past 40 years.

Most of the population trusts the regime and considers democracy as the best way to live.

Pressure Groups

Pressure groups were given a medium risk rating (6). Economic groups such as Fedecamaras [Venezuelan Federation of Associations and Chambers of Commerce and Industry] and Consecomercio [National Council of Commerce and Services] have maintained an iron-clad opposition to the government due to lack of confidence in its economic policies. This position undermines investment possibilities in the country, because it decreases the confidence of company owners in the regime's stability, and in the executive branch's ability to govern.

This position, however, could change with the application of measures that will be announced this week. A medium risk rating was assigned, because some groups will soften their opposition actions while others will start their campaigns.

Unions could lean toward controversy. Grouped in the CTV [Venezuelan Workers Confederation], in the past weeks they have paralyzed public administration and education, and as they have announced, they could start a number of actions to demand higher salaries as soon as the new economic changes are revealed.

The planting of pipe bombs in the Caracas subway shows that some groups are displeased with the policies and are at least trying to destabilize the regime.

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Members of the cabinet pointed out actions of this sort could be attributed to "financial groups."

In view of this, a medium risk (6) rating was assigned to the pressure groups.

Government Crisis

This variable received a high risk (3) rating. One of the main difficulties of President Caldera is his ability to govern.

The current regime has a structural weakness because it lacks a parliamentarian majority, a political or partisan base, and a coherent team of economic advisers, and it has also failed to adopt timely measures.

These elements have a bearing on the possibility of having a swift and effective approval and application of economic measures demanded by the current crisis.

If the established strategies are not implemented as planned, international credits will be denied, and of course, investment possibilities will be restricted.

Bureaucracy

The working team gave bureaucracy a medium risk (5) rating. The prevailing criterion was that red tape and the many necessary permits are not really annoying, but are slow and difficult because of the corruption of officials at all levels, and the collection of commissions that are often a requisite to obtain a document or permit.

Foreign Policy

The country's foreign policy is a low risk (8) factor. Venezuela maintains cordial international relations and ties with most international organizations. The Andean Pact was restructured during this administration and efforts are being made to join Caricom [Caribbean Common Market].

Possibility of International Conflicts

This variable obviously received a very low risk (9) rating. There is a slim possibility that Venezuela could engage in a conflict with any world country at present.

Intervention of Third Countries

This possibility is not applicable to Venezuela, because the country has made its owns political, economic, and social decisions in a sovereign manner, and thus, this favors investments.

Corruption

This is among the highest risk factors for investment because it undermines economic processes. In Venezuela corruption has infiltrated all state branches and also the private sector.

Scandals such as the one at Recadi [National Preferential Exchange Office], the Perez-Matos joint accounts, and the financial disasters of the past years reflect the deterioration of institutions, lack of control systems to detect irregularities, and deficiencies within the judicial branch to ensure criminals are punished.

Autonomous Movements

The country has had no autonomous movements that could jeopardize private businesses or capital investments, and thus, this variable received a rating of 10.

Membership in International Organizations

Venezuela belongs to various international organizations that favor international trade. This poses no problem for investments.

Economic System

Venezuela maintains a state capitalism that favors free enterprise as its economic system. Certain conditions that are evident in the social protection system, however, slow down the economy. Among them one are the current social security system and subsidies for companies and institutions.

This variable was assigned a low risk (7) rating.

Labor Relations

Labor relations received a medium risk (4) rating because collective bargaining agreements are onerous for companies and laws regulating labor-management relations tend to protect workers.

Demographic Structure

Population distribution on national territory is unbalanced. All of it is concentrated on the northern coastal region while the southern region, where the state's basic companies are located, has been completely neglected. A plan of macroinvestments in fields such a aluminum should include a reorganization of national territory.

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